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The Nation's Business

Our Aim Should Be Low World Tariff

One of Canada's outstanding political commentators and a brilliant writer, Bruce Hutchison, has done a special article for this week's issue of The Financial Post, page 9.

In an earlier special article in The Post, Mr. Hutchison's predictions as to the outcome of the Conservative convention at Winnipeg proved remarkably foresighted.

Some may feel that in his present article, Mr. Hutchison over-simplified the tariff issue; that for him the blacks are too black and the whites too white.

Important though his contribution to current political discussion is, here are two basic and inescapable conditions surrounding the whole tariff problem.

First, when or if Mr. Bracken comes to power, he will, no matter what his prior declarations, have to deal with tariff matters in the light of circumstances prevailing in Canada and in the world at that time. Neither Mr. Bracken nor his associates will be able to wield any magic which will suddenly eliminate tariffs entirely as an instrument of national policy.

Second, what wise citizens of Canada and the world passionately hope for is that this Dominion be a low tariff country in a low tariff world. As one of the large trading nations of the world, international movement of goods is of paramount importance to us.

The cold fact is, however, that it is impossible for us to be a low tariff country in a high tariff world. Equally, it would be disastrous for us to be a high tariff country in a low tariff world.

This war and the shortsighted, suicidal trade policies which contributed to its making, have surely taught us all a lesson. Whatever excuse or justification there may once have been for protecting industries in this country, technological developments here and within Canadian industry have lessened the number of industries that could properly qualify for such a list. And the industrial revolution which war has wrought in Canadian industry will further pare the list.

Canada can and must in her own and in the common interest exert her influence in the cause of a low tariff world. She must be willing and prompt to bring that about by herself being a low tariff country if that is the trend of the world.

At this stage, nothing more is in the power of any country; nothing more can be the significance of present pronunciamentos by our political leaders.

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PAY-AS-WE-EARN POSTWAR AID

Mr. Ilsley is almost certain to be required to make a statement on the government's attitude to the Ruml plan as soon as the House meets at the end of this month. Mr. Ilsley's last public pronouncement on the subject sounded chilly. He claimed adoption of the plan would involve substantial loss to the government. The fact is that this loss is very largely hypothetical—a bookkeeping loss. What small immediate losses there would be to the government in adopting a pay-as-you-earn plan are inconsequential compared to the enormous losses from unpaid and unpayable taxes if it does not adopt such a plan.

Our Ottawa correspondent says "many signs now point in the direction of the Ruml plan being adopted, possibly at the start of the present fiscal year." That, of course, would be a logical time for its inauguration. Certainly the public protest will be loud if a pay-as-you-earn income tax system is not introduced.

Observers have the impression that the administration is playing a very political game in this respect; perhaps, hopes to offer a pay-as-you-earn system as a potion that will soothe shocks in the forthcoming budget.

Aside from the grave injustices in the present method which would be prevented by adopting the pay-as-you-earn system, it is of national business importance, especially should this year carry us past peak demand for war munitions.

If our economy starts slowing down, and our present tax system continues, tens of thousands of workers will be faced with paying taxes on present high incomes out of decreased earnings. Their savings in war bonds and certificates which can be such an important supply of money in helping Canada through the transition stage to peace would almost inevitably be cashed to ease the income tax burden. This shift of money out of one government pocket into another government pocket would be a purely sterile operation and the very important impulse to our national economy of some after-the-war spending of accumulated war savings would be completely lost.

NO. 1 JOB FOR LIBERATORS

Some idea of the gigantic job ahead of the United Nations when they liberate Europe is indicated by recent reports from French North Africa. There the people, after two years of Nazi domination, have been found seriously lacking both food and information.

One of the first requests made by the press of Algeria after the Americans moved in was for full texts of all President Roosevelt's speeches since the capitulation of France, in June, 1940. These are now being run in serial form in the newspapers in an effort to bridge the two year blank when only distorted Nazi and Vichy propaganda was permitted publication.

Along with this request for "news" was an even more urgent one for food. German and Italian agents had stripped the country bare, collecting wheat, wine, fruits, fats, etc. and shipping these across the Mediterranean, regardless of the needs of the local population. As a result, a country which was once known as the food warehouse of France has been reduced to starvation.

Undoubtedly the United Nations will face a similar situation on a much larger scale when they invade the mainland of Europe. Mentally and physically the population has been starved since the first day the Nazi locust appeared on the horizon.

When the great day of liberation arrives Canada should be able to play a major part in furnishing relief. Then will there be a genuine demand for our two years accumulation of wheat. To bring that day nearer it would be well if the United Nations would continually stress the fact that good food in vast quantity will move toward Europe the instant the Hun is expelled.

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A MAJOR POSTWAR JOB

Withdrawal of censorship on the Great Blizzard draws attention to the need of underground telegraph and communication lines as a Number One Must in Canada's list of postwar undertakings.

For over a week the communication and transportation systems between the three chief cities of central Canada have been almost completely demoralized. Only urgent messages have been transmittable and train service is still highly uncertain.

Admittedly the storm was the worst in many decades and the repair cost would go far to pay for underground communication networks which have been long overdue.

The Bell Telephone Co., as a war emergency, is pressing completion of underground cables between Ottawa, Montreal and Toronto, but even these may not be in operation in time to serve the peak of war emergency.

European experience suggests Canada is far behind in the installation and establishment of protective measures which are much more urgently needed in a land so subject to severe climate.

We commend this project to the Reconstruction Committee.

Winter Peak For Power Surmounted

Aided by 160,000 h.p. Saved, Ontario Hydro is Able to Handle War Load

Indications are that Hydro-Electric Power Commission of Ontario has safely weathered its winter's seasonal peak in electric power load, The Financial Post is informed. This peak regularly comes some time in November or December each year.

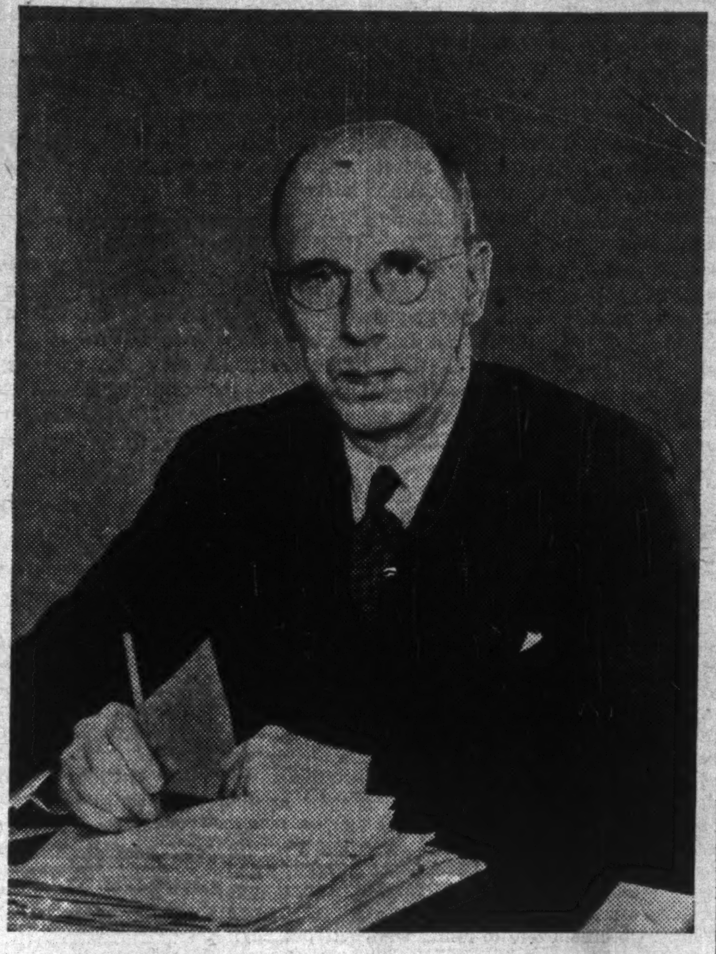
Hydro officials report that satisfactory progress is being made in completing agreements with Quebec and the Dominion Government regarding the planned new hydro-electric power development on the upper reaches of the Ottawa river. It is now expected that both agreements will be cleaned up in perhaps two weeks. Premier Conant plans a session of the Ontario Legislature in February and the agreements are to be ready for ratification at that time.

This cannot be taken as any excuse for relaxation in voluntary or enforced savings in use of electric power, officials emphasize.

While municipal peak load is probably safely passed for this season, the everyday kilowatt load continues very high.

Hydro officials estimate that the curtailment campaign probably saved about 160,000 h.p. this winter. Of this around 100,000 h.p. came from enforced restrictions and the remainder, or 60,000 h.p., from voluntary savings.

Ruler of Rationing



As available supplies for civilians dwindle the problems of mild-mannered Laurence Bertram Unwin, Administrator of Consumer Rationing, multiply. Most popular guess on next candidate for the rationing book is meat, but Unwin himself never forecasts his next move. English-born, 51-year-old L. B. Unwin came to Canada at 16, joined the C.P.R. in 1908 as a clerk; in World War 1 rose from rank of private to major, returned to the C.P.R. and in 1935 became vice-president. Before taking leave of absence to join the W.P.T.B. his chief interest in recent years has been developing the important Canadian Pacific Air Lines system.

Big Shuffle Impending In Foods

W. P. T. B. Discussing Division of Responsibilities in Food Administration

By KENNETH R. WILSON

OTTAWA.—Behind the premature Ottawa news report that all primary food administration would be shifted from W.P.T.B. to the Department of Agriculture is the belief that a major shuffle in food control under the price ceiling is imminent.

Behind the scenes, an acute and troublesome situation has been coming to a head in the past few weeks. What is likely to emerge (though as yet undecided) is a new type of food administration which may divide processed from primary foods and pass to Hon. James Gardiner considerable of the work now done under the direction of Hon. Gordon Taggart present head of the W.P.T.B. food directorate.

The analogy here is to be found possibly in the present relationships between W.P.T.B. and the Department of Munitions and Supply.

In respect of a very wide list of commodities and authorities, the Controllers of the Department of M. & S. have complete jurisdiction over the respective fields except in matters of price. Thus rationing of gasoline and all the problems connected with wartime control of fuel oil and its derivatives are direct responsibilities of the Fuel Controller functioning as a servant of the Department of M. & S. Only when matters of price are concerned does Mr. Cottrelle move under Mr. Gordon's wing and become a price administrator.

What will probably emerge from present discussions is a somewhat similar arrangement in respect of farm products.

Mr. Gardiner is already responsible (in theory) for the production of primary agricultural products. But many decisions now made in that area are directly affected by what Mr. Taggart does in his Foods Administration under W.P.T.B. The probability is that the major job of

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False Calm Covers Manpower Muddle

Report Ralston and Howe Still Far Apart on Policy; Army Estimate of Requirements for 1943 Not Yet Known

By KENNETH R. WILSON

OTTAWA.—There is a false and ominous calm hanging over Canada's manpower muddle as this country moves into a new year.

Since Elliott Little's resignation was accepted by cabinet on Nov. 18, the manpower "crisis" has been tossed to one side or dismissed as the figment of Mr. Little's exasperated imagination. Yet, as one of the government's most trusted advisers stated only a few days ago, "If Canada has no manpower crisis today this country simply isn't pulling its weight."

Where has the manpower "crisis" vanished? Why is there silence and apparent complacency in high places about a manpower need which a few months ago was being talked of in the direst terms?

Present highlights of the manpower muddle are briefly that the cabinet has shied away from an overall manpower programme, and the curtailment programme for civilian non-essential industry, has very largely bogged down. The army has been given no decision on the size of its 1943 commitments, and National Selective Service has shaded from the position of big manpower boss to that of a civil service employment agency and draft mechanism.

Views Far Apart

Some months ago Ralston and Howe flew to England to see at first hand the shape of things to come in 1943. They have been back in Canada now for nearly three months, yet according to reliable reports they are as far apart as ever in their views as to Canada's armed service versus war production manpower requirements. The cabinet reputedly has done nothing to resolve these differences and the basic condemnation hurled at the government by Elliott Little that, "In the fourth year of war we find ourselves with no clear directive from the government on manpower policy," still stands unchallenged.

A few months ago, Canada's manpower crisis looked overwhelming because the demands of the armed services and of war industry were rated at fifty thousand a month. Out of this demand came the now quiescent programme for curtailment of all non-essential industry; the breakdown of National Selective Service; the Little resignation and a national upsurge of press and public clamor for concerted and effective action.

Crisis Fizzles

The "crisis" fizzled out when the war industry demand was found to be greatly overrated and when the old draft machinery under Mr. Thorsen and General LaFleche failed to "deliver the goods." The army didn't get its men; war industry didn't need its men. The critically acute manpower shortage which was to have cut into every store, service organization and merchandise factory in Canada seemed to disappear into thin air.

One or two things stood clear:

1. That because men weren't drafted and trained this fall and winter in the numbers requisitioned, Canada now runs the risk of having a big "skeleton" army with insufficient trained reinforcements to meet battle casualties.

2. The basic industries (coal, lumber, agriculture, some base metals) have been stripped of the essential men required to keep war wheels turning.

3. Donald Gordon (and presumably the cabinet) has shied away from the civilian curtailment programme.

Misleading Complacency

Over all, there is a false and misleading air of complacency. There is apparently little disposition to face the imperiousness of some immediate decision on policy; little disposition to give direction and drive to the machinery now being reorganized in the Department of Labor under the new deputy minister and director of N.S.S., Arthur MacNamara.

Xmas Slashes Retail Stocks

Heavy Buying Accentuates Shortage Headaches

Just how big a dent the Christmas buying rush put in the dwindling inventories of Canadian retailers won't be known for a little while yet, but early returns indicate that stores came through in reasonably good shape. General effect was not to create new shortages but to accentuate those which already existed. Retailers saw this coming and did their best to prepare for it.

Perhaps the most surprising thing was that Christmas shopping was not so heavy as many expected, or as some bruised shoppers thought. Current indications are that the overall picture will show sales volume around the same level or possibly slightly better than the 1941 mark. That still puts business in the "excellent" category, for the 1941 trade was about the biggest Canadian retailers ever had.

Check Rein on Sales

A number of things accounted for the fact that sales did not boom well above last year's peak. Heavier taxes were probably reason No. 1. With increasing shortages, Canadian shoppers have been conditioned to take it easy when they think of going on a buying spree. This more careful buying policy has been reflected in the fewer-than-expected number of exchanges. Another big factor tending to hold sales down was that many large stores did not open at nights for a week or two before Christmas as they did in previous years. Shortage of help and desire to conserve electric power and supplies combined to make an early closing policy advisable.

Christmas Specialties

So far as the staple, day-to-day lines of merchandise are concerned, reason that most retailers got through at something better than a stagger is that much Christmas trade is in specialty lines. Christmas is the season at which these lines are aimed; through the rest of the year they do not play a large part. Thus the more staple lines do not take the brunt of heavy Christmas buying.

How stocks of specialty gift goods may be replenished for Christmas 1943 is a problem that may well take some figuring.

The fact that most retailers tried to conserve their stocks as much as possible during the Christmas rush reflected their knowledge that in 1943, when a shelf in their supply room is stripped bare, it is liable to stay that way. Some put certain lines of merchandise on a daily sales quota, and when that quota was exhausted sold no more for the rest of the day.

Textiles Tight

One of the tighter spots appears to be in the textile field. With most of this industry's capacity on war work, the margin available for civilian trade is small. One of the largest suit makers is working 80% on uniforms. For a line as close to the selling rack as spring coats, there has been difficulty in obtaining material.

Shirts were a popular Christmas

(Continued on page 2, col. 4)

Ottawa May Have To Use 'Ruml' Plan

By STAFF WRITER

OTTAWA. — Officialdom won't yet admit that Ottawa is going to adopt the "Ruml" plan (a similar proposal was discussed and turned down before the last budget) but many signs now point in the direction of it being adopted, possibly at the start of the coming fiscal year.

Actually, there appears to have been no final decision one way or the other, and no proposal has yet gone to the cabinet. But the matter may come to a head very shortly, particularly since Mr. Ruml is to address the Canadian Club in Toronto on Jan. 18. His address, together with the now general sponsorship of the plan by press and business, is almost certain to bring a flood of questions for Mr. Ilsley when the House convenes toward the end of the month.

A New Service For Subscribers

On page 7 of this issue readers of The Financial Post will find a new service—"Your Wartime Business." In this new department The Post will answer enquiries on the effect of wartime regulations on business. As with the similar Post departments on taxes and investments, subscribers may avail themselves of the new service by writing to "Editor, Wartime Business."

Troubles Hit U. S. Retailers

Shortages, Jumbled Price Ceilings, Becloud Future

By HORACE T. HUNTER
President, The MacLean Publishing Company

NEW YORK.—Emerging from a tremendous Christmas season in which actual shortages of manufactured goods were widely encountered, United States merchandisers are headed for a difficult new year.

To begin with, the merchandiser has a fight on his hands to keep alive his vast distribution system.

According to executives in some large department stores, the U. S. economic system could not be sustained without the general method of distribution which has been built up. They report, however, that this is not appreciated by many government officials at Washington, who seem to think that distribution is a sort of fifth wheel which could be dispensed with without any great loss to the community.

Too Much O. P. A.

Then, they are faced with the growing Office of Price Administration confusion, and some of them yearn for outright adoption of the Canadian system of price control. The reason for this is obvious. In the first place, O. P. A. has proclaimed five different base periods on which the price of goods must be figured. Even experts have difficulty in working out what the proper price should be, and they feel there is no chance of a small retailer being able to figure it at all.

In the second place, merchandisers say there is not one man in the O. P. A. at Washington who is a practical businessman. They feel the Canadian system is better because Ottawa has a number of practical retailers and manufacturers as regional directors of the Wartime Prices and Trade Board.

On top of worries about materials, which are expected to become especially scarce after May and June, the merchandiser is perplexed about the shortage of general transportation and about finding manpower.

Tied up with the lack of manpower is a struggle which has been going on between two forms of retail service: (1) the self-service, low price system, which is unquestionably a growing tendency in merchandising, and (2) the service stores with higher prices. War conditions are forcing the "service stores" to give some measure of self-service, but they are studying the question carefully as to just how far they should, or might have to, go.

Customers First

Although department stores have been built on the principle that "the customer is always right," and although they realize that the purchasing public must be given more and more information about the goods they buy, great pressure is being put on retail merchants by Washington officials to cut down service and the number of people employed.

Stores are being urged to hire more colored help. But the merchandisers can only do what is acceptable to their customers.

As it is, stores are having to engage the lowest grade of help in their history. Some of their new employees can barely read or write. Better help is being lost to higher-paying jobs in industry.

In spite of mounting difficulties, 1942 has been a peak year in merchandising sales and profits. This was due to accumulation of goods on the part of far-seeing buyers. But this situation will not carry over into 1943.

Big merchandisers expect the new year to bring higher costs. They find that as volume increases, expenses, even figured on percentage to sales, tend to rise, rather than decline. In the 1920's the average expense was 28%; in the 1930's it was 35 to 36%. It is increasing still further in the 1940's.

To meet the changing conditions, the large department store realizes that flexibility is required. It is finding out that the overlapping of business and inroads of specialty stores are bringing about a condition where competition is hurting. The new year will show whether the big store has found it out too late.

Manitoba's Big Power Plan

Electrification of 25,000 Farm Homes Recommended

From Our Own Correspondent

WINNIPEG.—Electrification of 25,000 Manitoba farms in the 10 years following the war is recommended in the report of the Manitoba Electrification Inquiry Commission. This would be an initial phase, and the programme would eventually reach nearly all of Manitoba's 59,000 farm homes.

There is an implication, although not a definite recommendation, in the report, that the proposed scheme might require consolidation of the utilities of the Winnipeg Electric Co. and the Winnipeg Hydro with those of the Manitoba Power Commission.

John Bracken called it a "most satisfactory and encouraging document" and expressed the hope that it would be implemented and would lead to an advance in agricultural economy. Dr. Emerson P. Schmidt, head of the school of business administration of the University of Minnesota, headed the commission, other members of which were E. V. Caton, John W. Sanger and Herbert Cottingham.

It was found that the capital outlay involved, based on 1939 costs, would be $16.8 millions to reach 25,000 homes, provided the lines were extended through areas where 80% of the residents subscribed to service.

Low Interest Needed

The report said that unless capital funds can be obtained at interest not exceeding 3½%, the project will not be feasible, and also that to supply farm services at rates in line with standard rate schedules now in effect in towns and villages served by the Manitoba Power Commission, there will have to be a bonus. The Power Commission now gets a bonus averaging about $21 annually for each subscriber in these towns and villages, the total amounting last year to $127,000. This came from rentals paid the government for power sites by Winnipeg Hydro and Winnipeg Electric Co.

The terms of reference to the commission asked it to determine the feasibility of supplying electricity to Manitoba farmers at a substantial reduction in present cost, "without at the same time increasing the standard rates for such electricity to any citizen."

The commission apparently assumed that to increase the power site rentals, not now sufficient to bonus farm services, would be to increase the cost of electricity in Winnipeg, which is supplied both by the Winnipeg Hydro and Winnipeg Electric.

The report deals rather delicately with the alternative, which implies some consolidation of these systems.

Substantial savings in the present cost of generating and distributing electrical power in Manitoba can be made only by eliminating, as far as possible, the duplication of property and operating staffs of the Winnipeg Electric, the Winnipeg Hydro and the Manitoba Power Commission, it is declared.

The commission was not empowered to conduct negotiations with a view to bringing the different utilities together, and in any event considered the present time inopportune for such negotiations. It recommended (its own membership being drawn in part from the three utilities mentioned) that any complete investigation be made by a body whose membership is not identified with the management of any of the utilities.

The difficulties of such an investigation (with which the commission did not deal) can be understood by realizing that both Winnipeg Electric and the Winnipeg Hydro develop power on the Winnipeg River.

Present Setup

The Manitoba Power Commission does not develop power, but buys it from the other utilities. There is some possibility of expansion of operations at existing sites, and one important power site, at Pine Falls, is not yet developed. It is controlled by the Manitoba Paper Company (an Abitibi subsidiary), which now buys power developed by the Winnipeg Electric Co. at La du Bonnet.

Winnipeg Electric, besides producing power for its street railway system, competes with the Winnipeg Hydro in domestic business within the city of Winnipeg, and serves numerous communities and

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January Investor Income Shows Decline of 9%

The year 1943 is opening with a substantial decline in dividends scheduled for payment by Canadian companies, according to estimates by The Financial Post. January totals this year are estimated at $19.6 millions compared with $23 millions for the first month of 1942.

As bond interest payments are also down by $1.2 million, total return to investors this month is going to be lower by about $4.6 millions, or around 9%.

In spite of the lower total there are a number of extras scheduled for payment this month. The list includes Bralorne, Building Products, Canadian Indemnity, Dominion Foundries, Goderich Elevator, Guarantee Co. of North America, McIntyre-Porcupine, Lambton Loan, Montreal City & District Savings Bank, Moore Corp., Ottawa Electric Railway and Sheep Creek Gold.

Participating dividends are being paid by Canadian Canners with five cents a share on its first and second preferred. Canadian Wirebound Boxes is paying 12½ cents a share on arrears and International Paints 50 cents on its preferred arrears. Mill City Petroleum is paying three cents a share, first dividend since 1936. Eastern Car is paying $6 a share. Its last previous payment was

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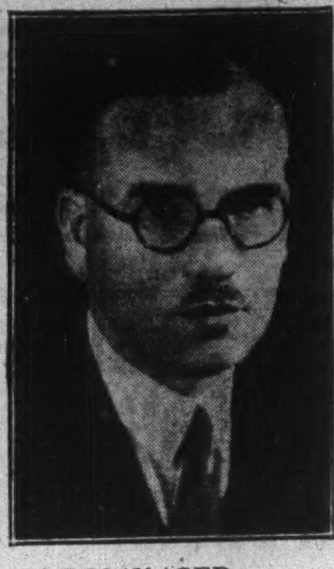
MEN'S SHOP
FINE APPAREL FOR MEN
EATON'S-COLLEGE STREET

INDEX TO QUALITY!

It is almost labouring the point for us to endeavour to discuss just why it pays to buy in the Men's Shop. The reputation of the Men's Shop speaks so clearly for itself that it is hardly necessary for us to air the fact that discriminating men — men who recognize that true quality pays high dividends in these days of shortage — visit the Men's Shop regularly. We suggest that you drop in to this distinctive store for men, and see for yourself just what it is that merits this loyalty.

THE MEN'S SHOP
Civil and Military Outfitters
EATON'S COLLEGE STREET



MADE MANAGER

A. L. Hughes, who has been appointed manager for Canada of Elder Dempster Lines Ltd., succeeding D. J. S. Tyrer who is retiring. Mr. Hughes joined the Liverpool office of the company in 1913 and came to the Montreal office as assistant manager in 1938

War and Business . . . .

Crowded Streetcars

Indication of the vast war job of urban transportation systems is the report of the Toronto Transportation Commission for 1942. Total passengers carried, almost 239 millions, represented an increase of 23% over 1941 and 15% above the best prewar record made in 1929. Peak traffic was reached the day of the T. Eaton Co.'s Santa Claus parade, Saturday, Nov. 14, when just over a million passengers were carried.

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Names For U. S. Planes

Canadian youngsters who have been laboriously studying serial numbers of the various American aircraft, will now have to do the job all over again, the U.S. authorities are going to adopt the British practice of giving cocky names to their planes. Hereafter various jumbles of letters and numbers will largely disappear in the press and such names as Liberator, Marauder, Lightning, etc., will take their place. The British plan has proved a great morale booster and names like Hurricane, Spitfire and Blenheim are now household words.

* * *

Ease Up on Munitions

At least one large munition operator has started to cut down staff. This action is due not only to increasing efficiency of the individual worker, but also to cancellation of orders and limitation of contracts.

This operator has ordered taken down posters in the plant urging increased production. They are considered out of place at a time when many workers were being laid off.

A fairly large pool of unemployed munition workers is reported to exist in one important urban centre. This is probably only a temporary situation or until such time as the necessary arrangements can be made to transfer them into other fields of industrial work.

It is reported that the brakes are now being applied to the munitions programme and the closing down completely of some plants is considered a possibility in order to conserve materials and manpower for more urgently needed products.

* * *

Dehydrated Potatoes

Operations have commenced at the dehydration plant built at Hartland, N.B., by the N. B. Potato Products Ltd.

For the present potatoes only will be handled. Preliminary schedules call for production of 2,000 to 3,000 15-lb. cans of dehydrated potatoes weekly. None will be available for domestic consumption, all being contracted for by the Dominion Government Agricultural Supply Board for the use of men in the armed forces.

Two cans are packed to a carton. Each carton contains enough to provide a serving of potatoes to 1,060 persons. Into it has gone some 465 pounds of potatoes.

* * *

Slip-up

Lack of co-ordination in some government departments has created a little annoyance among businessmen affected by new orders. For instance the highly important order on newsprint setting the percentage output of each mill was announced in the press release by Ottawa at the beginning of this week. Everything was in order except for the fact that the order was not available to manufacturers until 48 hours after it was announced in the press. In consequence operators did not know where they stood. As one manufacturer put it "Praise the Lord, and let us have the order."

* * *

Officers to Pay Income Tax?

Application of the income tax to officers and non-commissioned officers of the armed services above a certain rank serving outside Canada is considered a definite possibility when Parliament reassembles. In fact, The Post hears, the word has gone out that such a move can be taken for granted.

WAR-TIME DUTIES OF CITIZENSHIP

So great are the financial duties imposed by war that every citizen must resort to drastic, systematic, determined *saving.* To help you, the Bank of Montreal offers a Special Savings Account, in which to deposit every pay-day the right proportionate amount to cover war obligations when due.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . *the Outcome of 125 Years' Successful Operation*
A 126

B.C. Horizons Become Clearer

Some Bottlenecks Left, But Solutions Now in Sight

From Our Own Correspondent

VANCOUVER.—British Columbia businessmen and industrialists are facing the new year with a good deal more confidence than at the dawn of 1942, not only because of the favorable turn in the war but because in their own specific fields of activity notable improvement has been indicated, with prospect of further betterment.

There will be shortages of men and materials, but the ideas and machinery for dealing with these problems are becoming so much more effective that the general outlook appears much brighter.

Mine Labor Better

There are signs that the labor bottlenecks in mining and lumbering are being cleared. The west coast shipyards, now fully manned and in full-stride production, have recently been able to release considerable numbers for other occupations and the logging camps and base metal mines have eagerly snatched them up.

Production of copper at Britannia and Granby is already climbing from the low levels of October when for a time it was feared that complete shutdown of one of the big producers was inevitable unless more men could be hired. Authority to pay higher wages and the release of men from other industry have been important factors in rehabilitating the copper situation.

Conditions in the coal mines are somewhat better but here again there is room for a great deal of improvement and the answer is more men. Demand for coal as well as wood and sawdust fuel has been greater than ever in west coast cities this winter because of the large increase in population and the conversion of hundreds of heating units from fuel oil.

Lumber Handicapped

The lumber industry is still handicapped to some extent by a shortage of logs, in turn due to the loss of manpower to city industries and the armed forces. But several thousand men have been brought in from the prairies and while they are not experienced woodsmen they have been an important factor.

During the coming spring the employment question on the farms will become of paramount importance in this province. The past few months the drift of farm labor to the cities and the fighting forces has resulted in a critical shortage of workers and as a result many dairy cattle have been butchered and farms left untilled. This development will have serious consequences unless promptly offset by more workers because consumption of farm products is growing fast in British Columbia due to rising wartime payrolls, and increasing exports of foodstuffs from other parts of Canada on which the west coast was previously dependent.

In industrial production British Columbia set an all-time record during the past year. Her primary industries—forests, mines, fisheries and farms—accounted for an output valued at 285 millions, according to provincial government estimates, and it is estimated that value of manufacturing in other lines, including shipbuilding, was responsible for an increase of more than $200 millions. Shipyards alone are probably responsible for about $90 millions worth of production, and their auxiliary industries — foundries, machine shops and engineering plants building boilers, winches, anchor chains, steering gear, stern frames and so on have reached a level of operation far in excess of all precedents.

Labor statistics indicate British Columbia's industrial advance. The metal and steel trades show a percentage increase much larger than that of any other province and where 5,000 women were engaged in manufacturing industries in B. C. in 1940, more than 12,600 were at work in 1942—a percentage gain more than double that of Canada as a whole.

Budget Gap $2,250 Millions

Ilsley Revises Figures in Light of Rising War Output

By STAFF WRITER

OTTAWA. — The "gap" between federal government expenditure and revenue in 1942-43 now stands at $2,250 millions, according to the important revision of budget estimates made by Hon. J. L. Ilsley. This compares with a figure of $1,800 millions on the basis of the June 23 budget speech.

What Mr. Ilsley now tells Canadian taxpayers is that expenditure (forecast in The Financial Post, Dec. 5) will be $4.5 billions, which is 15.4% or $600 millions above the original budget estimate of $3.9 billions.

He says also that revenues will exceed $2,250 millions. This is an increase of $106 millions or 5% over the comparable earlier estimate of $2,144 millions.

Exclude Refundables

The increase in revenue is not so great as appears at first sight. This is because Mr. Ilsley, in his new estimate, has included the $95 millions which it is expected will accrue to the treasury in 1942-43 from refundable taxes. The original revenue figures in the June budget was $2,049 millions, but this did not include any refundable tax money.

On the basis of the new estimates, Canada now hopes to meet 48% of its total 1942-43 expenditures out of revenue as compared with an original estimate of 52% at the time of the budget. The corresponding percentages for U. K. and U. S. are 45% and 20% respectively.

A breakdown of the new estimate as between the various sources of revenue reveals some striking facts.

Last June, Mr. Ilsley estimated total revenue (including refundable taxes) at $2,144 millions. The new figure is higher by $106 millions. Approximately two thirds of this increase is said to be from higher income tax collections. The larger part of the remainder is from increased returns on commodity taxes. The balance is from higher Post Office and miscellaneous non-tax revenue. Comparative figures to show the old and new (approximate) estimates are as follows:

(In Millions of Dollars)

	New (Approx.) Estimates	Budget Estimates
Customs Duties	270	135
Excise Duties		135
Sales & other Taxes	460	436
Income Taxes	1,390	1,345
Misc. & Non-tax Rev.	130	121
	2,250	2,144

These new estimates presuppose a slightly higher rate of income tax collection for the remaining four months of the fiscal year than has been experienced to end of November. In the first eight months of 1942-43, income tax collections were $897 millions which for 12 months (on a pro-rata basis) would suggest total revenue of $1,345 millions. Though this is in excess on the original budget estimate, it is apparently short by about $45 millions of the total which it is now believed will be reached. These figures include, of course, all taxes on personal and corporate incomes (including refundable taxes) together with collections of succession duties, national defense and Excess Profits taxes.

Duties Decline

To date, both customs duties and collection of miscellaneous and non-tax revenues are falling behind rather than exceeding the original budget estimates. Customs duties on the basis of the past eight months performance will contribute only $122 millions to revenue compared with a budget estimate of $135 millions. Miscellaneous and non-tax revenue on a pro rata basis would show only $108 millions compared with $121 in the budget estimate and about $130 millions in the higher and revised estimate.

Presumably the government believes that higher collection of excise duties (already considerably ahead of the budget estimate) and a speed-up in miscellaneous and non-tax revenues for the balance of the fiscal year will account for the difference.

Mr. Ilsley's statement follows:

"The financial results up to date in this fiscal year indicate that the scale of our financial problems is greater even than the somewhat startling figures of the last budget, but also that we are managing to meet this much as we had planned. Our expenditures up to Nov. 30 have amounted to $2,711,000,000, and our revenues to $1,454,000,000. It now appears that for the fiscal year as a whole our expenditures will approach $4½ billion instead of the $3,900,000,000 which I forecast in the budget, and our revenues will amount to something over $2¼ billion in all. The principal reason for these increases now appears to have been that war production has exceeded anticipations. The value of goods provided to Britain has been high, while our army expenditure in Britain, in the absence of active operations, has been relatively moderate. Consequently the balance of British payments in Canada, to be financed by Canada out of the special billion dollar appropriation has been quite high, and it now appears that this billion dollars will be exhausted by the end of 1942.

"Other means will soon have to be arranged to enable Britain and other Allied nations to continue obtaining war supplies and foodstuffs from Canada. On the other hand, our exchange position vis-a-vis the United States has been relatively satisfactory because of United States purchases of war supplies under the terms of the Hyde Park Declaration and because of continued capital movements. Although our reserves of gold and United States dollars have increased modestly since the beginning of the fiscal year, the increase has been less than the proceeds of sales of United States securities by Canadians and purchases of Canadian securities by United States investors. Our very substantial imports from the United States for war purposes are now paid for to a large extent by our sales of war supplies to the United States."

Ottawa Officials Cagey On "Layaway" Scheme

Reaction Generally Unfavorable Owing to Complexity of Plan, Possible Repercussions, and Unfairness of "Purchase Priorities"

By STAFF WRITER

For U. S. Reactions See Page 3

OTTAWA.—Ottawa's experts are cagey about giving too cold a shoulder to the much-touted "lay-away" plan now being aired in the U. S. as a sure-fire means of building up a big backlog for postwar purchasing of durable goods.

Ottawa pioneered in something which savored of the lay away idea during the last Victory Loan. At that time the farm campaign was geared in some measure to selling a farmer a bond in terms of the tractor he would want to buy after the war was over or of selling the farm housewife a bond which would purchase a washing machine at war's end. These proposals were tied to the unmatured Victory Ticket idea.

Ottawa's reaction to these and similar ideas is that they fall down in the last analysis because they are too complicated for the man-in-the-street to understand.

Keep It Simple

Right now the Ottawa sales and saving formula is—"Keep it simple." That means, in effect: Taxes, plus Compulsory Saving, plus Victory Bonds. Even that formula gets complicated when it means several payroll deductions and at least two "blitz" campaigns each year plus some War Savings Certificates and stamps thrown in for good measure. So far Canada has shown that by careful and reiterated sales effort on these simple lines a good result has been obtained.

Ottawa is inclined to doubt the wisdom of introducing a new kind of security which raises all manner of problems for the future. For example:

1. What about the returned soldiers who because of overseas service may be unable to get a priority purchase certificate? Is the war worker or the civilian who can put his dollar down on the counter back home going to get his postwar radio or motor car first, while the man on the firing line waits his turn?

2. What about all the other "priorities" which may loom in postwar buying and which may be in active competition with the priority of a man who simply bought this particular kind of security?

The "need" of this kind of consumer may be very much less than that of many other citizens.

3. Does not such a plan envisage postwar controls of a type which it is now hoped might be dispensed with at war's end? Since only the government could administer it successfully (few people know now what kind of car they will buy or whether they want a car in preference to a new refrigerator or radio) any large-scale programme of this sort would require a considerable "bureaucracy" to administer it, perhaps years after the war had ended.

Manitoba's Power Plan For 25,000 Farm Homes

(Continued from page 1)

industries in the Winnipeg area. Extinguishing the rights of this privately owned company might be difficult.

It would also be difficult to persuade the people of Winnipeg to part with control over their city Hydro, in which citizens have great pride, and to which they attribute the low rates for domestic electricity which prevail in the city.

Absorption of Winnipeg Electric has been discussed on various occasions, and might have been attempted in the interests of the distribution system, except that there has been little desire to interfere with the business of transportation.

In any type of amalgamation the people of Winnipeg would expect to see a benefit for themselves. Even if they could be brought to acquiesce in the benefits going to country consumers of electricity, they would be hesitant in allowing control of their utility to pass to the Provincial Commission, fearing to lose such control of rates as they now enjoy.

On the other hand, a straight subsidy of a provincial electric system from ordinary provincial revenues might be impracticable. The city would object that it was being taxed for the benefit of the country, an objection possibly shared by those farmers not enjoying the benefits of the new plan.

A feature of the report is the finding that there is plenty of power on the Winnipeg River to provide for complete rural electrification of the province, estimated to absorb only 5% of the total available power.

It is pointed out that adequate revenue from farm service would depend upon use, and that every effort should be made to supply farmers with electrical appliances at minimum cost. To that end lowering of Canadian duties to bring Canadian prices of appliances more in line with those prevailing in the United States is recommended. Such adjustment, by leading to the development of a mass market in Canada, the commission suggests, would be to the benefit of Canadian manufacturers, and tend to increase employment in manufacturing.

Food Shuffle Said Coming At Ottawa

(Continued from page 1)

administration in the primary farm products field will be thrown to Mr. Gardiner's doorstep. Mr. Ilsley has already denied that any control of the price of agricultural products from W.P.T.B. to agriculture is under consideration.

New Processed Food Chief?

Were this to happen, a new administration will probably emerge in respect of processed and packaged foods of all types.

For a long time there has been a complaint in the processed foods industry that their problems were not getting adequate treatment "at the top." It has been pointed out that the men at the top of the present foods administration at Ottawa, are men whose background is largely in the primary foods business. For some time, the question of another and possibly parallel administration to the one now headed by Mr. Taggart has been under consideration.

Another problem which has undoubtedly caused a great deal of concern at Ottawa and which has had to do with the present discussion for a major shuffle in the foods administration is the handling or mis-handling of board policy in respect of many important commodities—butter, beef, potatoes and possibly canned foods — might be cited as examples.

Until a few days before butter rationing was announced, Mr. Taggart had been saying publicly that rationing was not coming and that it just wasn't possible to ration a commodity like butter in a country like Canada. Then, presto, butter rationing arrives and everyone from the humble housewife up, breathes a great sigh of relief.

Who Is to Blame?

The problem at Ottawa is that of assessing the blame for such sudden and embarrassing changes in front, and trying to make sure that more far-sighted policies are worked out in respect of beef, canned goods and a host of other foods in short supply.

In some quarters it is claimed that the Board itself dilly-dallied in acting on earlier recommendations made by its Foods Administration. It is also claimed that the advice of the Foods Administration has been anything but long-sighted.

What is now under discussion is a new alignment of responsibilities and jurisdiction which will try to avoid similar blunders in policy and management in the future.

Clearly, the W.P.T.B. has been brought into disfavor and disrepute throughout Canada because of the mismanagement of its food policies. Now being discussed is a housecleaning which will try to remove difficulties and maladministration and place the food administration on a sounder and more workable basis.

Xmas Shopping Depletes Stock

(Continued from page 1)

gift and indications are that a dent in inventories was made here, although many stores limited the number sold to each customer. Even the most optimistic shirt dealers aren't sure when new supplies will be available. The better quality shirts, of the imported variety, appear to be out for the duration.

Various lines of merchandise that were scarce before Christmas now are almost impossible to find, including electrical goods and almost anything with a metal content. Such items as ladies' compacts and pocket lighters are now hard to get.

As a further move to help reduce buying many retailers are not indulging in any sales pressure such as that which has helped them over the post-Christmas slack period in previous years. With conservation the keynote, such drives as January fur sales or February furniture sales are not likely this year.

New Brunswick Reports Record 1941-42 Surplus

New Brunswick reports a record surplus of $1,159,251 in the fiscal year ended Oct. 31, 1942. This compares with a surplus of $901,000 in the 1940-41 year. The province had budgeted for a surplus of $111,508 arising from anticipated revenues of $10,803,781 exceeding anticipated expenditures of $10,692,273. The improved actual showing was due to the fact that revenues ran well over estimates to total $11,800,480, while expenditures were held within the budgeted figure, amounting to $10,641,229.

Despite the restrictive tendencies incidental to wartime regulations, receipts in all major revenue fields were well maintained.

Control Expenditures

Only one department of the New Brunswick government exceeded its budgeted expenditures, the Department of Lands and Mines running over its estimate by $76,000. Of this excess $24,000 was paid in porcupine bounties, an outlay authorized by the Legislature after the official estimates had been confirmed. Balance of the overrun in this department was for forest fire prevention.

Savings in other directions, however, more than made up this increased expenditure. One of the most noteworthy items in this connection was a saving in debt charges of $46,000.

During the year the province carried out a modest programme on capital account. This policy was adhered to in such a degree that a precedent was established in paying all net capital expenditures out of accumulated surplus.

Also paid from surplus on ordinary account were the following obligations: serial debentures maturing Nov. 15, 1942, $90,000; U. S. premium on debentures matured Aug. 15, 1942, $302,500; balance of deferred expenditure for snow plowing equipment, $215,918; redemption of debentures of Southampton Railway Co., $155,000.

Funded debt of the province, direct and guaranteed, as at Oct. 31, 1942, amounted to $105,307,073 against which there was a sinking fund of $13,762,447.

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Dividends Declared

	This payment $	Date payable	Date of record
Anglo-Huronian	.10	Jan. 23	Jan. 8
Ault & Wiborg, p.	1.37½	Feb. 1	Jan. 15
Avalon Tele.	1.75	Jan. 2	Dec. 31
Do., 7% pref.	.87½	Jan. 2	Dec. 15
Do., 6% pref.	.75	Jan. 2	Dec. 15
Bathurst Pr. & P. A	.25	Mar. 1	Feb. 5
Barber-Ellis, pref.	1.75	Jan. 15	Dec. 31
Bell Telephone	2	Jan. 15	Dec. 23
Biltmore Hats	.15	Jan. 15	Dec. 31
Bralorne Mines	.20+.10	Jan. 15	Dec. 31
Brant Cordage, pfd.	.32½	Jan. 15	Dec. 20
Broulan Porc.	.03	Jan. 15	Dec. 31
B. C. Power A.	.50	Jan. 15	Dec. 31
B. C. Packers	.75	Mar. 15	Feb. 27
Blue Ribbon pfd.	.62½	Feb. 1	Jan. 21
B.C. Elec. Rly. pfd.	2½%	Jan. 15	Dec. 31
B. C. Tele., 2nd pf.	1.50	Feb. 1	Jan. 16
Calgary Power, pfd.	1.50	Feb. 1	Jan. 15
Can. Bronze	.37½	Feb. 1	Jan. 11
Do., extra	.50	Feb. 1	Jan. 11
Do., pref.	1.25	Feb. 1	Jan. 11
Can. & For. Sec.	.06	Feb. 1	Jan. 15
Can. Gen. Inv.	■.12½	Jan. 15	Dec. 31
Canadian Car, pfd.	.44	Jan. 11	Dec. 21
Can. South. Rly.	1.50	Feb. 1	Dec. 28
Canada Starch	.50	Jan. 15	Jan. 8
Do., pref.	3.50	Feb. 15	Feb. 8
Can. Bk. of Comm.	1.50	Feb. 1	Dec. 31
Can. Breweries, pf.	.85	Apr. 1	Feb. 27
Can. Converters	.50	Jan. 30	Dec. 28
Can. Fairbanks, pfd.	1.50	Jan. 15	Dec. 31
Can. Celan. Inc. rts.	1	Mar. 15	Dec. 31
Can. Pac. Rly., pfd.	2%	Feb. 1	Jan. 1
Can. Industries pref.	1.75	Jan. 15	Dec. 31
Can. Light & Pr.	.50	Jan. 15	Dec. 24
Can. Nor. Pr.	■.15	Jan. 25	Dec. 19
Do., pref.	■1.75	Jan. 15	Dec. 19
Cockshutt Plow	.25	June 1	May 15
Comm. Alcohol	.05	Jan. 15	Dec. 31
Do., pref.	.10	Jan. 15	Dec. 31
Distillers Seag. pf.	†1.25	Feb. 1	Jan. 15
Dominion Bank	2	Feb. 1	Jan. 15
Dom. Fabrics	.20	Feb. 1	Jan. 18
Do., 1st pref.	.75	Feb. 1	Jan. 18
Do., 2nd pref.	.37½	Feb. 1	Jan. 18
Dome Mines	■.40	Jan. 20	Dec. 31
Dom. Tar, pref.	1.37½	Feb. 1	Jan. 15
Dom. Textile, pref.	1.75	Jan. 15	Dec. 15
Eastern Steel,	.25	Mar. 1	Feb. 15
Farmers' Tele.	.63	Jan. 30	Dec. 31
Foundation Co.	.35	Jan. 20	Dec. 31
Freiman, A. J., pfd.	1.50	Jan. 1	....
Guar. of N. Amer	1.50	Jan. 15	Dec. 31
Do., extra	2.50	Jan. 15	Dec. 31
Guaranty Trust	1.25	Jan. 15	Dec. 31
Gordon & Belyea, A	2	Feb. 1	Jan. 21
Do., (B)	.40	Feb. 1	Jan. 21
Gt. Lakes Pwr., pf.	1.75	Jan. 15	Dec. 31
Guelph & Ont. Inv.	1.25	Jan. 2	Dec. 20
Guelph Trust	1.25	Jan. 2	Dec. 20
Hydro-El Secs., B, p.	.25	Feb. 1	Jan. 15
Invest. Found., pfd.	.75	Jan. 15	Dec. 31
Inter. Paints, pfd.	1	Jan. 12	Dec. 12
Do., arrears	.50	Jan. 12	Dec. 12
Inter Nickel pref.	†1.75	Feb. 1	Jan. 2
Imperial Bank	2	Feb. 1	Dec. 31
Inter. Bronze	■.20	Jan. 15	Jan. 5
Do., pref.	■.37½	Jan. 15	Jan. 5
Inter. Milling pfd.	†1.25	Jan. 15	Dec. 31
Inter. Util., pr. pf.	†.87½	Feb. 1	Jan. 21
Lake Dufault	.02	Jan. 25	Jan. 6
Lamaque G.	.10	Feb. 1	Jan. 8
Melchers Dist. pfd.	.30	Feb. 15	Feb. 1
Mill C. Pete.	.03	Jan. 29	Jan. 8
McColl. Front., pref.	1.50	Jan. 15	Dec. 31
Moneta Porc.	.02	Jan. 15	Dec. 31
Maritime Tel.	.20	Jan. 15	Dec. 19
Do., pref.	.17½	Jan. 15	Dec. 19
Montreal Power	.38	Jan. 30	Dec. 31
Montreal Tele.	.48	Jan. 15	Dec. 31
Nat. Biscuit	†.30	Jan. 15	Dec. 11
New Bruns. Tele.	.13	Jan. 15	Dec. 31
Nor. Ont. Pwr.	.12	Jan. 25	Dec. 31
Do., pref.	1.50	Jan. 25	Dec. 31
Nat. Steel Car	.50	Jan. 15	Dec. 31
O'Brien Gold	.03	Jan. 16	Dec. 26
Paymaster Cons.	■.01	Jan. 15	Dec. 31
Penmans	.75	Feb. 15	Feb. 5
Do., pref.	1.50	Feb. 1	Jan. 21
Premier Gold	.01½	Jan. 15	Dec. 15
Proprietary M.	.08	Jan. 6	Dec. 23
Preston E. Dome	.05	Jan. 15	Dec. 23
Power Corp.	■.15	Feb. 1	Dec. 31
Do., pref.	■1.50	Jan. 15	Dec. 19
Do., 2nd pfd.	■.75	Jan. 15	Dec. 19
Quebec Power	.25	Feb. 25	Jan. 26
Regent Knit., c.	.25	Jan. 15	Jan. 2
Shawinigan W. Pr.	.23	Feb. 25	Jan. 25
H. Smith Pap. pfd.	1.50	Jan. 15	Dec. 31
Sheep Creek G.	.04+.01	Jan. 15	Dec. 31
St. Law. Corp. A.	■.25	Jan. 15	Jan. 2
St. Law. Paper	■.75	Jan. 15	Jan. 2
Sigma Mines	■.30	Jan. 15	Dec. 31
Stand. Radio A. B.	.10	Jan. 10	Dec. 31
Sherwin Wms. ord.	.15	Feb. 1	Jan. 15
Scythes & Co.	.50+.50	Jan. 15	Jan. 10
Do., pref.	.87½	Jan. 15	Jan. 10
Silbak Premier	.04	Jan. 25	Jan. 5
South. Can. Pwr.	.20	Feb. 15	Jan. 29
Do., pref.	1.50	Jan. 15	Dec. 19
Sylvanite Gold	.03	Jan. 15	Dec. 31
Steel of Can.	.75	Feb. 1	Jan. 7
Do., pref	.75	Feb. 1	Jan. 7
Stuart Oil, pfd.	.20	Mar. 1	Feb. 15
Teck-Hughes	■.10	Feb. 1	Jan. 8
Tuckett Tob., pfd.	1.75	Jan. 15	Dec. 31
Wood, A. J. pfd.	1.75	Feb. 1	Jan. 15
West. Grocers	.75	Jan. 15	Dec. 20
Do., pref.	1.75	Jan. 15	Dec. 20
Weston Geo. pfd.	1.25	Feb. 1	Jan. 15
Zellers	.20	Feb. 1	Jan. 15
Do., pref.	.37½	Feb. 1	Jan. 15

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board.

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What Is Meant by Health Insurance?

Any "Beveridge Plan" for Canada would undoubtedly incorporate a comprehensive scheme of health insurance. It is quite possible, in fact, that Government proposals for a health insurance plan may be announced in the relatively near future. To assist in understanding this important subject, The Financial Post is publishing a series of articles explaining what health insurance is, what is now being done in Canada along this line, what other countries are doing and what problems may be met. The first article.

Known for well over 100 years, health insurance talk is coming ever more to the forefront.

Last fall a conference was held at Ottawa at which a potential scheme of health insurance for Canada was discussed with provincial representatives. It is indicated that work is now being carried out on devising some kind of a Dominion-wide scheme which may be presented to parliament at its next session.

Health insurance involves the basic principles of other types of insurance. It requires, for example, the co-operation of a large group of persons, each contributing to a common fund as a means of sharing burdens resulting from occurrence of a particular contingency. From the common fund benefits related to the original contributions are distributed to alleviate burdens or hardships against which the insurance is effected.

Primarily all insurance involves the payment of relatively small sums from a large number of people into a common fund out of which the benefits are distributed.

Different Types

There are many different types of health insurance as it is now practised. Basically the more strictly insurance type of plans can be divided into voluntary and compulsory.

State medicine is frequently associated with health insurance but is basically different. Under state medicine plans, the doctor and other attendants are hired by the state. They are directed and controlled by the state or some subdivision of it. It is a system of medical administration whereby the state gives medical services to the entire population, or a large part of it, with doctors, nurses, hospitals or others giving the services employed and paid by the state on a salary basis or by some other plan. It essentially involves state compulsion and control, although modified plans do not always go as far as complete state medicine might suggest.

Health Insurance Divisions

Health insurance proper can be either voluntary or compulsory and each of these have several recognized divisions or modifications.

Voluntary systems of health insurance have existed for about 140 years. They may provide cash benefits in lieu of wages lost through sickness; or benefits in kind which simply means services of the doctor, medicines or hospital care; or for both. If benefits in kind are given, the doctor may collect from the beneficiary who is later reimbursed from the central fund or the doctor may collect directly from the central fund.

Pros and Cons

H. H. Wolfenden, consulting actuary, in a series of articles prepared for the Canadian Medical Association, summarizes the advantages and disadvantages of voluntary health insurance as follows:

1. It preserves individual liberties.
2. It encourages the real interest which members of any voluntary co-operative effort feel in protecting and enlarging the usefulness of their efforts.
3. Voluntary plans can be made to cover any economic group so long as necessary contributions are paid and conditions for insurance are fulfilled.
4. Voluntary insurance is a method of sharing burdens with no attempt to make other people responsible for the individual's own problems.

On the other hand the disadvantages of voluntary insurance are given by this same authority as:

1. Only the far-seeing people in the community protect themselves by joining such plans.
2. Low wage-earning groups cannot afford to pay the necessary contributions.
3. Financial difficulties may be encountered unless such voluntary plans are carefully administered with competent actuarial advice and supervision.

Most state-sponsored plans of health insurance have adopted the compulsory feature, first appearing in Germany in 1883. Under it the state, or some subdivision of it, undertakes to secure the money required, prescribes the base on which employers or employees or both are obliged to contribute, perhaps assumes ultimate financial responsibility and for the contingencies for which protection is desired.

Like the voluntary plans, compulsory schemes can provide cash benefits to offset loss of wages; can give cash benefits with medical services or either one or both. Also like voluntary plans, there are certain advantages to compulsory schemes which are summarized by Mr. Wolfenden as follows:

1. People not ordinarily interested are required to come under the protection of the government plan, giving much larger groups to cover.
2. Financial sufficiency of the plan is assured by government undertakings to guarantee necessary funds.
3. Some contributions are obtained from many of the lower income groups where otherwise it might be spent less advantageously and unlikely to purchase insurance.

On the other hand compulsory insurance schemes are seen by Mr. Wolfenden to have certain disadvantages which he summarizes as follows:

1. The governmental regimentations inherent in any compulsory plan is often felt to be an unwanted interference with personal liberties.
2. The employee shifts part of his economic problems to the shoulders of other persons as such plans are ordinarily based on the idea of making employers and general taxpayers responsible for about two thirds of the cost of the scheme.
3. Artificial economic pressures and malingerings of many kinds may develop to obtain personal advantages over other persons compelled to contribute to the cost but getting no benefits.
4. Plans usually cover only certain specified employees who earn no more than some arbitrarily determined figure and exclude all others whether they earn much or only little more or nothing at all.

Basic Questions

It is clear that certain basic questions must be answered before any person or any group can decide to adopt any particular health insurance plan.

They must know what type they are going to accept or whether they prefer some form of state medicine. They must decide who is to be covered, whether it is to be limited to certain income groups or whether all the people are to be included. They must determine what benefits are to be paid, whether cash or in kind and what limits are to be placed on cash or services. They must determine in advance what the probable cost of the scheme must be and who are to make contributions.

Obviously any plan needs very careful study and must be placed on a sound financial basis. It is in the determination of such details that much of the controversy results and in spite of a great deal of study, there does not appear to be any generally accepted standard as to cost of medical services.

Preventive medicine — the science of preventing disease rather than of curing it after it is felt—should have an important part in any health insurance scheme which pretends to be complete.

Three Main Considerations of Health Insurance

MEMBERSHIP — May be Voluntary or Compulsory.

BENEFITS — May be in Cash or in Services or a Combination of the two.

MEDICAL PROFESSION — May continue as at present or become Civil Servants (State Medicine).

Officials Cool on Layaway Plan

U. S. Treasury Unimpressed by Deferred Purchasing

Special Correspondence

WASHINGTON.—Administration officials here are doing a quick freezing job on proposals for advance installment buying of consumer goods for postwar delivery. There does not appear to be a chance of official support for this idea, advanced by Rolf Nugent, an adviser in the office of price administration, and others.

One of the most comprehensive "layaway" buying plans that has appeared to date in the United States is that of the American Marketing Association. This scheme calls for the issuance of Victory Merchandise bonds to be sold through the established sales organizations of large concerns and which would assure purchasers a priority in buying postwar products. The association has developed a bond quota system county by county.

While the idea reportedly has the support of many business interests in the United States, the Treasury Department maintains that the relative illiquidity of such bonds would make them less appealing than regular war bonds, while it does not think sales organizations should be used to push sale of such bonds when manpower is short. Furthermore, the Treasury did not meet the suggestion enthusiastically on the basis that the public would have to decide now what it wanted at some time in the future. Secretary Morgenthau pointed out: "You can buy a war bond and turn it into cash within 60 days and buy whatever you want."

No Specific Commitments

Response is that the plan intends no specific merchandise commitments. It is declared on the illiquidity objection that the bonds were intended primarily for that class which regularly constituted the installment buying group and who would be attracted by the priority angle. The manpower angle is not an important one, according to this view, as the salesmen remaining in the industry are older and unfit for the armed forces.

In rebuttal the Treasury has declared that in the postwar period the flow of goods, if scarce, will be governed either by a price rise which would automatically ration the goods to those willing to pay the higher price or there will be an official control to govern the allocation of supply which would make the priority rights attached to a merchandise bond either valueless or a complicating factor in distribution by virtue of the fact that they would be a previous commitment.

Although Nugent made the headlines with his idea of private industry selling postwar priorities on consumer goods for delivery after peace is declared he has failed so far to make an impression on official quarters. The office of price administration, which had no advance knowledge that he was about to spring the proposal, quickly washed its hands.

Secretary of the Treasury Henry Morgenthau blasted it at his press conference because he said it gave an unfair advantage to highly paid civilians at home over the men in the armed forces. The treasury has received and studied a dozen proposals of a similar nature and has analyzed Nugent's plan.

Not O.P.A. Plan

At the Office of Price Administration the atmosphere was even less favorable, said one spokesman.

"Don't call it the O.P.A. plan — that's the Nugent plan. And it isn't any of our business. Our job is to ration, to control prices, and we haven't anything to do with siphoning off excess buying power."

But Nugent's arguments haven't been answered. His proposal, it is contended, would siphon large sums of money from a war-inflated economy and thus act as a curb on inflation and in addition would pile up a backlog of durable goods orders for industry.

Some American companies have approached the situation by encouraging buying of war bonds now for acquisition of their products in the postwar period. These companies include United States Steel, General Electric, Crane, Minneapolis-Honeywell, Curtis Woodwork and Philip Corey. The University of Chicago and Grinnell College have a plan for prepaying tuition. As advance tuition payments are made by the parents of prospective students they are invested in war bonds.

One factor behind the unfavorable reaction to "layaway" plans is the political dynamite that could be set off by pushing such schemes. The ordinary layaway plan does not do much more than attach a material value to the purchase of war bonds. No price is guaranteed, and the benefit is largely psychological. Once the realization of this shortcoming became general, it might lead to a demand that the bonds be made redeemable in kind, instead of cash, and probably at prewar price levels.

Thin Edge of Wedge

Suggestions of this sort have already appeared, and might cause extreme embarrassment for two reasons:

(a) They closely approximate Hitler's "Volkswagen" plan for purchasing automobiles at basic prices through a government installment system, and

(b) They would involve the government in decisions as to which firms should make the "Volkswagens" of America, to what specifications they should be made, and other totalitarian decisions.

While these dangers are currently far away, they are a major factor in rejecting a plan that appears sound enough on surface, and may continue to be sound, so long as the government stays out.

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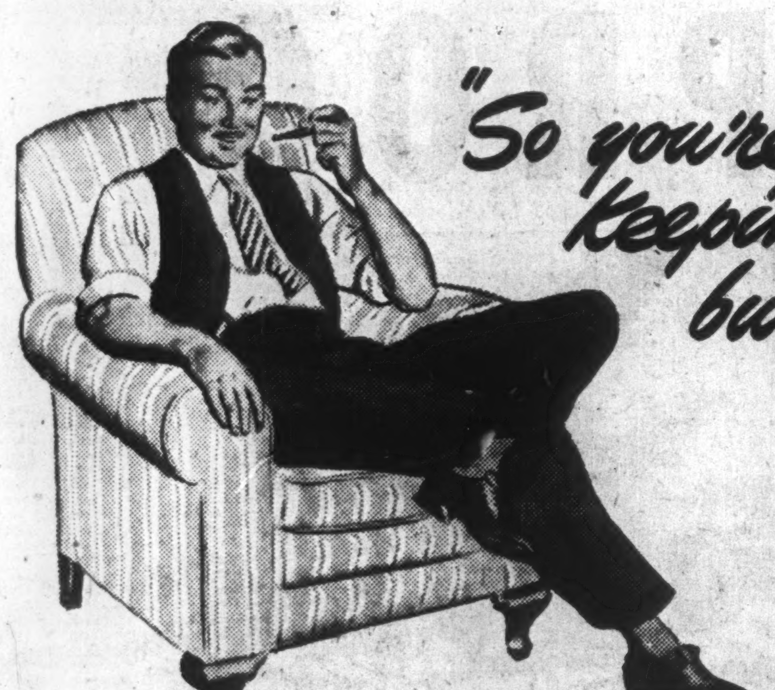

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Progressive Conservative Platform: Veterans' Rehabilitation

Making Way For The Warrior

Plank Seeks to Ensure Demobilization Won't Penalize Veteran

By ROBERT C. STARK

This is the third article of a series dealing with the seven planks of the Progressive Conservative platform. These articles will discuss the individual clauses that make up each plank. They are presented to show differing Conservative and Liberal philosophies, and to give a clear impression of a document whose economic importance may be as great as its political significance. The black face paragraphs are verbatim planks from the new platform.

One of the first big problems of peace will be that of reinstatement to civilian life of most of Canada's fighting men. The war veterans' rehabilitation plank of the Progressive Conservative party was founded on the Port Hope expression that:

"The prosecution of the war itself and civil re-establishment are complementary factors in achieving victory and peace and we believe that the sacrifice involved in the immediate postwar years to ensure effective re-establishment will prove to be the best policy over a long period of time."

To formulate a plank recognizing that veterans should not be penalized in civilian life for their services to the country in wartime absorbed much time at the Winnipeg convention. The black face paragraphs that follow are verbatim extracts from this rehabilitation plank.

● In carrying out demobilization of Canada's armed forces the primary consideration should be the interest of those who have served. Demobilization should be based on the principle that members of the armed forces should not be discharged until their economic security is assured by placement in gainful employment or by assisted training and education to that end.

Within the forces many Canadian boys are receiving education and vocational training that will better fit them for civilian life. The general problems of rehabilitation are directly under the study of the General Advisory Committee on Demobilization and Rehabilitation, on which is represented labor, agriculture, public works, trade and commerce, finance, pensions and national health.

A plan which has been adopted by the government provides, among other things, that men whose academic or professional education has been interrupted by service in the armed forces may secure assistance, if needed, to enable them to complete their education.

Discharged men who can be assisted in obtaining employment by means of vocational training courses will be provided with subsistence while receiving that training. Similar assistance will be given those who return to private enterprise, such as farming, while they await returns.

Ex-servicemen who experience delay in obtaining civil employment have been promised employment protection at least equal to that available for civilians already under the Unemployment Insurance Act.

● Settlement of war veterans upon the land under proper supervision should be generously assisted having due regard to the qualifications of the applicants, which should be determined by independent and qualified regional boards, whose duty should be to select suitable lands and to advise on pre-settlement training, where required. Immediate consideration should also be given to group or community settlement in appropriate localities.

Under the Soldier Settlement Act of 1919, 25,017 soldier settlers were granted loans and established on the land. On Dec. 31, 1941, latest available figures showed there were 7,661 soldier settlers and 6,374 civilian settlers who had taken over lands relinquished by former soldier settlers. At the end of 1941, the Soldier Settlement of Canada had 16,999 properties under administration, representing a net investment of $27.9 millions. The indifferent results of this scheme give accent to need for better planning this time.

During the last session of the House, approval was given to a bill providing for assistance for veterans of the present war in settling on the land. Financing up to $4,800 is proposed for the ex-serviceman who settles on a farm. Pensions Minister Ian Mackenzie has stated that about 100,000 are expected to apply for settlement under the act, and 35,000 have already indicated their desire.

Under the plan the settler would first pay 10% of the land cost, or $360; then $2,400 on contract or $2,760 over 25 years. Maximum assistance for land, building, stock end equipment would be $4,800.

● Allowance should be granted for all dependent children of men serving in the armed forces and the present limitation to four children should be abolished.

Shortly after the Winnipeg convention adopted this principle the Ottawa administration announced a pay increase for the army and payment of dependents' allowance up to six children.

● We believe that the hazardous occupation of those serving in the merchant navy should be fully recognized and their interests protected by extending to them and their dependents the principles expressed in these resolutions.

The government has declared that its principle is that those who have served in the forces or the merchant marine will be assisted in obtaining farm homes.

● The achievement of Canada's full military strength demands that all members of our armed forces be free to devote their entire mental and physical energy to the military tasks in which they are engaged. It is therefore in the best interests of the nation that those who enter military service be given legal protection against economic consequences of their service. For that reason in all cases where the ability of those in military service and their dependents to meet their financial obligations has been materially reduced by such service, the government should give effective legal protection against eviction, foreclosure of mortgages, seizure of property for arrears of taxes, forfeiture of installment contracts, cancellation of life insurance policies up to $10,000, judgments or other legal proceedings for debts incurred before entering military service, and other embarrassing financial obligations. These provisions should be subject to the express conditions that those able to pay cannot evade their obligations by this service, and that just protection be assured to creditors under simple and effective procedure before the courts. It should be clearly provided that there is no cancellation of obligations but merely deferment with justice to all concerned.

This particular resolution was among the most debated at the convention. It reflects the desire of many Conservatives for a Canadian version of the Sparkman Act of the United States. This act provides a substantial-list of immunities for the enlisted man and his dependents such as forbidding eviction of families of those in military service, foreclosing mortgages during the period of military service and seizure of property for taxes. Protection of life insurance policies is also provided, while no soldier need pay more than 6% interest on debts. Claims for immunity under the act are dealt with by a court with wide powers.

The Ontario Command of the Canadian Legion recently called for a moratorium on mortgage foreclosures and tax sales affecting the homes of men in the armed services and their dependents, effective for the duration of the war and a year thereafter.

The Dominion so far has left legislation of this type to the provinces. Several western provinces have had such legislation in varying degree on their statute books for some time, with the legal validity of the Alberta and Manitoba enactments currently being questioned. Premier Conant of Ontario has promised legislation at the provincial House's next session to guarantee members of the armed forces from Ontario their equities in their homes.

● Consideration should be given to the establishment of a special department of the Federal Government under a separate minister to administer all legislation and deal with all matters affecting veterans including land settlement and other rehabilitation and allowances, and veterans' insurance.

Administration of returned soldiers' affairs is presently carried on by the Pensions Branch of the Department of Pensions and National Health. This branch is also responsible for certain administrative duties under the Pension Act and the Returned Soldiers' Insurance Act.

Those who chiefly sponsored this resolution at the Winnipeg convention envisage the new set-up as moving out from the Department of Pensions and National Health as it was claimed the present organization has "never functioned satisfactorily" and that veterans have been "consistently shoved from pillar to post in their attempts to seek justice or a re-adjustment of difficulties."

Canada, U. S. Publishers' Paper Supply Rationed

Paper rationing to the publishing trades in Canada and the United States aims at a 10% reduction in amount of paper used. There has been close collaboration between Wartime Prices and Trade Board officials in Canada and War Production Board officials in the United States.

Initial steps toward limiting the amount of paper that publishers of newspapers, magazines and periodicals will be permitted to use started in Canada with two "freezing" orders which became effective Nov. 1 last. By these two orders—A 454 and A 455—mill shipments of paper were limited to the monthly average for the six months ended Sept. 30, 1942 and inventories of paper were limited to amounts equivalent to 30 days' needs.

On Jan. 1, 1943, measures were taken to effect a 10% economy in use of paper for printing purposes. This reduction is to be measured by quarters of the calendar year beginning with Jan. 1, 1943.

U. S. Plan

In the United States the rationing of paper is made effective through two orders of the War Production Board, both dated Dec. 31, 1942. Order L-240 deals with newspapers and ordered that:

"No publisher shall use, or cause to be used for his account, print paper for the printing of any newspaper or newspapers during any calendar quarter in excess of 100% of the amount of print paper used by him, or for his account, in the printing of the net paid circulation of his said newspaper or newspapers during the corresponding quarter of the base period."

The base period in this case means the year 1941. Publishers are allowed 3% for spoilage and losses. The U. S. formula provides for an exception in the case of any publisher using 25 tons or less of paper. This is taken as the basic amount necessary to provide an 8-page, 6-column, daily paper with 5,000 readers per quarter, and is a measure taken to simplify rationing and to protect the smaller papers serving particular communities.

Magazine publishers in the U. S. are limited in any quarter to 22½% of the paper used in the base period.

Canada's Plan Different

Canada starts with the same formula to determine the total tonnage of paper to be permitted for the use of dailies but has adopted a different method of distributing the total thus determined. A formula devised by the daily newspaper publishers of Canada has been adopted to determine a minimum size of publication. Papers in Canada using less than 25 tons of paper in a quarter are exempt from rationing to the extent of the amount of paper used by them prior to Nov. 1, 1942, in place of the formula for a similar exemption used by the United States.

An important difference between methods used in Canada and in the United States is the way exceptions are to be treated. Canada requires all newspaper publishers to secure a permit to buy their paper and imposes a sliding scale of reductions based on the size of the paper published. The whole plan is devised to achieve the overall 10% reduction in use.

The United States provides for a system of appeals to deal with special cases, making the official in charge of this section of W.P.B. a kind of judge who is required to say whether or not any publisher is to get paper. Canadian officials feel that their system will be much simpler to administer and eliminate any chance for charges of discrimination.

Other Publications

Other classes of publications are treated in a similar manner in Canada. Magazines and periodicals, for example, must follow the newspaper formula and must achieve the 10% cut.

Most weekly papers are covered by the exemption for those using 25 tons or less of paper each quarter and are frozen at previous levels. Free distribution papers, whose circulation is not audited by independent authorities, using more than 25 tons of paper quarterly, are also required to cut by 10%.

Certain general exceptions are provided from the rationing orders. These include government publications, Dominion, provincial or municipal or their agencies; newspapers or periodicals published by any religious, charitable, philanthropic, educational, scientific, professional, political; labor or other non-profit organizations; any newspaper or periodical not containing advertising of goods or services and not published for profit.

The original freezing order and other orders of W.P.T.B. effectively prevent any new publication from being started except by permit and it is unlikely that any permits would be issued for publications to be run for profit. This would not mean that company papers distributed to employees, for example, could not be started but would mean that no new magazine or newspaper could be started.

Paper Rationing Impact On Operators Moderate

From Our Own Correspondent

MONTREAL. — Rationing of newsprint paper to United States and Canadian publishers as from Jan. 1, 1943, may not affect operations of the newsprint producers as much as it appears at first.

Theoretically the publishers dependent upon North American supplies of paper face a shortage of 460,000 tons. Actually such is not the case because current American consumption is running below the base period, and some paper formerly shipped overseas may be available for the North American market.

During 1941, base period for paper rationing calculations, apparent consumption of newsprint paper in Canada was 196,000 tons. This was the actual amount shipped and as few Canadian publishers carry extensive stocks, it is assumed that consumption approximated shipments.

For the same year the United States consumed 3,930,000 tons of newsprint paper.

Thus the Canada-U. S. consumption in the base year of 1941 was 4,126,000 tons.

In 1941 also the North American mills shipped nearly 616,000 tons overseas. This indicates an apparent overall demand, on 1941 returns, of 4,741,993 tons.

Theoretical Shortage

Against this the current rate of production in Canadian and American mills has been frozen at 3,048,000 and 953,784 tons, respectively, for 1943.

In addition there is the Newfoundland production, not frozen, of approximately 280,000 tons, giving a total indicated supply for 1943 of 4,281,784 tons.

The amount of paper to which the Canada-U. S. publishers are limited is 4,126,000 tons. Add to this the 1941 overseas exports and the total is 4,741,993 tons, or 460,209 more than the anticipated supply, thus giving the theoretical shortage.

There is reason for expecting that publishers may not have to curtail their consumption by 460,000 tons.

American publishers at present are consuming about 3.8 million tons annually, or 130,000 tons less than in 1941. Canadian requirements are running approximately 190,000 tons.

Overseas demands have been severely restricted owing to shipping difficulties and, despite demand, it is unlikely overseas shipments will run to more than 300,000 tons in 1943, or 316,000 tons less than in 1941.

Thus in order to maintain present requirements of Canadian and American publishers, as well as those overseas, the North American newsprint industry will have to produce 4,420,000 tons in 1943.

Provided there are no further restrictions, the operators can produce roughly 4.3 million tons, indicating a shortage of 120,000 tons.

January Investor Income Shows Decline of 9%

(Continued from page 1)

for the same amount in Feb., 1941.

On the other hand, Harding Carpets and Supertest Petroleum both paid extras a year ago but have only maintained regular payments this time.

Standard Chemical has passed the payment customarily due at this time.

Reduced payments are being made by seven companies. Carnation Co. is paying $4 a share on its preferred instead of $5. Cariboo Gold is paying two cents instead of three. Guelph & Ontario Investment has cut its payment to $1.25 a share from $1.50. Intercolonial Coal is paying $2 in place of $3 a share. International Bronze Powders has declared 20 cents instead of 37½ cents, Sylvanite three cents instead of five and Thayers $2 on its preferred in place of $3.

Summary of January Payments

	1943 $	1942 $
Dividends	19,641,593	22,952,057
Bond interest	25,815,000	27,053,000
Total	45,456,593	50,005,057

Industrials and Utilities

Company	Rate $	Date	Amount $
Acme Glove, pref.	3.25s	2	22,356
Agnew Surpass, pfd.	1.75q	2	15,327
Alta. W. Pres., pfd.	1.75	1	3,780
Algoma Steel, pfd.	2.50s	1	52,387
Amal. Electric	.30	2	25,324
Amer. Cyanamid, A, B	.15	2	392,754
Assoc. Breweries, pfd.	1.75q	2	11,617
Atlas Steels, 1st pfd.	1.75q	1	3,937
Avalon Tele., 7% p.	.87½s	2	14,000
Do., 6% pref.	.75s	2	6,000
Do., com.	1.75a	2	16,544
Barber-Ellis, pfd.	1.75s	15	2,100
Beatty Bros., A	.25	2	9,750
Do., 2nd pref.	3.50s	2	23,786
Belding-Cort.	1q	2	7,495
Do., pref.	1.75q	2	15,142
Bell Telephone	2q	15	1,683,060
Biltmore Hats	.15q	15	12,000
Brantford Cord., pfd.	.32½q	15	11,654
Brazilian Tr., pfd.	1.50q	2	5,901
B. C. Elec. Pr. & g., p	1.50q	2	75,000
B. C. Power, A	.50q	15	500,000
B. V. Elec. Rly., p.	2½%s	15	174,000
B. C. Telephone, pfd.	1.50q	1	15,000
Building Products	.17½q	2	84,592
Do., extra	.10	2	48,338
Burlington Steel	.15	2	21,000
Canada Bread, pfd.	1.50q	2	18,750
Do. (B) pref.	.62½q	2	15,625
Can. Nor. Pwr.	■.15q	25	60,000
Do., pref.	■1.75	15	96,250
Canada Packers	1q	2	200,000
Canada Starch, c.	.50	15	29,662
Can. Breweries, pfd.	.85q	2	138,720
Can. Canners	.12½q	2	17,223
Do., 1st pfd.	.25+.05*	2	57,262
Do., 2nd pfd.	.15+.05*	2	71,607
Canadian Car, pfd.	.44q	11	123,200
Can. Converters	■.50q	30	8,667
Can. Cottons	1q	2	27,155
Do., pref.	1.50q	2	50,109
Can. Fairbanks, pfd.	1.50q	15	16,893
Can. Gen. Electric	2q	2	377,690
Can. Industries, pfd.	1.75q	15	81,375
Can. Light & Pr.	.50s	15	16,624
Can. West'ghouse	.50q	1	273,000
Can. Wire. Box	.37½q	2	19,093
Do., arrears	.12½	2	6,364
Carnation, com.	†.50s	2	304,795
Do., pref.	†1	2	29,359
Cel. of Amer., pr. p.	†1.75q	1	288,431
Do., pref.	†1.25q	1	47,137
Do., 2nd pref.	†1.75q	1	259,312
Comm. Alcohol	.05	15	10,025
Do., pref.	.10q	15	5,000
Cons. Bakeries, ord.	.15q	2	47,766
Consumers' Gas	2q	2	291,104
Dom. Foundries	.25q	2	91,253
Do., extra	.25	2	91,253
Dom. Glass	1.25q	2	53,125
Do., pref.	1.75q	2	45,500
Dom. Textile	1.25q	2	337,500
Do., pref.	1.75q	15	33,960
Dom. Woollens, pfd.	.60	2	38,106
Eastern Car, pref.	6	2	45,000
Eastern Steel, pfd.	.25q	1	4,500
Easy Washing, pref.	.17½q	2	1,125
Farmers' Telephone	.63s	30	2,504
Foundation Co.	.35q	20	29,610
Freiman, A. J., p.	1.50	1	13,156
Gatineau Pwr., pfd.	1.38q	1	48,330
Do., 5% pref.	1.25q	1	152,450
Goderich Elev.	.25+.25s	2	42,003
Gordon & Belyea, pf.	1.50q	2	1,821
Gt. Lakes Power, pfd.	1.75q	15	13,125
Greening Wire	.15q	2	28,500
Hamilton Cotton	.10	2	2,000
Do., pref.	.50q	2	9,055
Harding Carpets	.10	2	17,453
Honey Dew	.50q	2	10,322
Hudson's Bay, pref.	2½%	1	155,000
Intercol. Coal	2s	2	20,000
Do., pref.	4s	2	7,932
Inter. Bronze	■.20q	15	20,000
Do., pref.	■.37½q	15	37,500
Inter. Milling, pfd.	†1.25q	15	67,895
Inter. Paints, pref.	1a	12	42,000
Do., arrears	.50	12	21,000
Inter. Power, pref.	1.75q	2	140,000
Jam. Pub. Service	.17q	2	22,950
Do., pref.	1.75q	2	13,125
Lang, J. A.	.17½q	2	17,500
Maritime Tele.	.20q	15	79,564
Do., pref	.17½q	15	26,250
Modern Contain.	.30q	2	7,500
Do., pref.	1.37½q	2	4,125
Montreal Power	.38q	30	1,705,832
Montreal Telegraph	.48q	15	24,000
Moore Corp.	.55½q	2	234,566
Do., extra	.66½	2	281,055
Do., pref., A, B	†1.75q	2	52,980
Murphy Paints	.20q	1	13,760
Do., pref.	1.37½q	1	5,318
Nat. Breweries	.50q	2	360,686
Do., pref.	.43q	2	47,730
Nat. Grocers, pref.	.37½q	1	54,933
Nat. Steel Car	.50q	15	87,750
N. B. Telephone	.13q	15	82,836
Nor. Ont. Power	.12q	25	28,804
Do., pref.	1.50q	25	37,474
N. S. Lt. & Pwr., ord.	1.50q	2	51,784
Ogilvie Flour, c.	.25q	2	150,000
Ottawa Elec. Rly.	.50q	2	17,598
Do., extra	.20	2	7,039
Ottawa L. H. Pr.	.15q	1	20,991
Do., pref.	1.25q	1	21,250
Page-Hersey	1.25q	2	217,845
Porto Rico Pr., pfd.	1.75q	2	17,500
Power Corp., pref.	■1.50q	15	75,000
Do., 2nd pref.	■.75q	15	75,000
Price Bros., pref.	1.37½q	2	86,409
Provincial Paper, pf.	1.75q	2	61,250
Regent Knit., c.	.25	15	16,252
Riverside Silk, A	.50q	2	15,000
Robin, J. & Whit., pfd.	.3	2	25,440
St. John Drydock, p	1.37½q	2	4,681
St. Law. Corp., A p.	■.25q	15	72,369
St. Law. Paper, pfd.	■.75q	15	102,885
Scythes & Co.	.50+.50s	15	25,000
Do., pref.	.87½s	15	10,500
Sher.-Williams, pfd.	1.75q	2	60,550
Smith, H., Paper, pfd.	1.50q	15	107,554
South. Can. Pwr., pfd.	1.50q	15	106,333
Stand. Fuel, pref.	1q	1	11,860
Stand. Radio, A, B	.10q	10	21,500
Stedman Bros.	.15q	1	13,500
Do., pref.	.75q	1	4,500
Supersilk H., pre.	2.50s	2	12,180
Tamblyn	.20q	2	22,400
Do., pref.	.62½q	2	3,750
Thayers, pref.	2	2	19,020
Tip Top Tailors	.07½	2	9,000
Do., pref.	1.75q	2	17,619
Tuckett Tob., pfd.	1.75q	15	35,000
United Fuel, A pf.	.75q	2	67,500
Viau, pref.	1.25q	2	11,825
Wabasso Cotton	1q	2	69,903
Western Grocers	.75q	15	12,706
Do., pref.	1.75q	15	20,899
Weston, Geo., com.	.20q	2	80,884
Wilsil	.25q	2	33,925
Total			12,869,854

Mining Companies

Company	Rate $	Date	Amount $
Anglo-Huronian	.10	22	150,000
Bralorne Mines	.20q	15	249,400
Do., extra	.10	15	124,700
Broulan Porc.	.03	15	80,820
Cariboo Gold	.02	2	26,666
Central Patricia	.03	4	75,000
Dome Mines	■.40q	20	800,000
Lake Dufault	.02	25	48,220
McIntyre Porc.	‡1.11	2	885,780
Moneta Porc.	.02q	15	50,877
O'Brien Gold	.03	16	97,500
Paymaster Cons.	■.01	15	86,290
Premier Gold	.01½q	15	75,000
Preston E. Dome	.05q	15	150,000
Proprietary	.08	6	73,558
Sheep Creek G.	.04q	15	75,000
Do., extra	.01	15	18,750
Sigma Mines	■.30	15	300,000
Silbak Premier	.04q	25	100,000
Sylvanite Gold	.03	15	98,985
Wr.-Hargreaves	.10q	2	550,000
Total			4,114,546

Oil Companies

Company	Rate $	Date	Amount $
Brit. Amer. Oil	.25q	2	693,160
Canadian Oil, pref.	2q	2	40,000
McColl-Fron., pfd.	1.50q	15	115,638
Mill City Pete	.03	29	29,424
North Star Oil, pfd.	.08¾q	2	17,500
Supertest Pete., ord. e.	.50s	2	55,000
Do., pref. (B)	.75s	2	6,000
Total			956,722

Financial

Company	Rate $	Date	Amount $
Bk. of Nova Scotia	2.50q	2	360,000
Brit. Mtge. Trust	4s	2	40,000
Brockville Trust	.62½q	2	6,250
Canada Life	5q	2	50,000
Can. Perm. Mtge.	2q	2	140,000
Canada Trust	3s	2	30,000
Canadian Fire	2s	2	40,000
Can. For. Invest., pref.	2q	1	7,618
Can. Gen. Invest.	■.12½q	15	75,073
Can. Indemnity	3s	2	15,000
Do., extra	2	2	10,000
Central Can. Loan	2q	2	50,000
Chartered Trust	1q	2	10,000
Crown Life	3½q	2	8,352
Debent. & Sec., pfd.	2.50s	2	6,607
Dominion Fire	3s	2	9,000
East. Can. Savings	1.50q	2	11,250
Eastern Trust	2q	1	20,000
Excelsior Life	4%s	2	8,000
Ensign Insur.	1.50s	2	7,500
Guelph & Ont. Inv.	1.25s	2	24,130
Guelph Trust	1.25s	2	7,562
Gt.-West Life	3.75q	2	37,500
Guar. of N. Am.	1.50+2.50q	15	24,368
Guaranty Trust	1.25q	15	3,750
Huron & E. Mtge.	1q	2	50,000
Imperial Life	3.75q	2	37,500
Indust. Mortgage	1s	2	12,700
Invest. Found., pfd.	.75	15	21,450
Lambton Loan	1	2	15,795
Do., extra	.50	2	7,897
Landed Banking	1q	2	10,000
Manufacturers Life	6s	2	90,000
Midland Loan	.40	2	14,400
Mtl. C. & D. Bank.	3q	2	60,000
Do., extra	1	2	20,000
National Trust	2q	2	60,000
Ont. Loan & Deb.	1.25q	2	50,000
Real Est. Loan	1s	2	5,000
Securities Hold., pref.	.85s	2	11,964
Sterling Trusts	1.50s	2	12,049
Sun Life Assur.	3.25q	1	65,000
Tor. Gen. Trusts	1q	2	30,000
Toronto Mortgage	1.25q	2	24,662
Traders Finance, Rts. A	1	2	13,851
Do., B rts.	1	2	6,388
Do., pref.	1.50	2	36,855
Waterloo Trust	2.50s	2	25,000
Western Assur., pref.	1.20s	2	18,000
Total			1,700,471
Grand total			19,641,593

q—Quarterly. s—Semi-annually. a—Annually.
†N. Y. funds. ■Subject to approval of Foreign Exchange Control Bd. ‡Extra. *Participating.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 6	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	68.3	61.1
May	74.7	61.1	70.6	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	78.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	78.0	56.0	61.2	47.5	97.7	75.3	98.3	73.1	66.9	71.9	67.8	61.6
Sept.	77.9	55.9	62.0	49.0	99.8	74.2	98.7	71.2	67.1	69.0	69.2	62.6
Oct.	80.3	57.8	64.9	51.0	99.6	74.0	98.9	70.8	67.9	70.3	72.0	65.0
Nov.	82.5	62.6	72.3	53.7	101.6	77.1	105.3	74.9	72.1	72.3	77.6	67.6
1942: Weekly Figures:												
Dec. 3	84.3	66.3	79.3	55.4	104.1	82.3	108.8	78.9	77.9	74.1	82.0	69.5
Dec. 10	85.6	67.0	85.3	55.2	109.1	83.7	108.9	77.8	76.8	73.9	80.8	69.3
Dec. 17	86.3	72.1	80.8	55.7	108.7	81.5	107.7	78.8	81.2	74.1	84.5	70.9
Dec. 24	87.0	73.1	80.8	59.8	108.6	81.8	106.2	81.1	82.2	74.6	85.1	72.4
Dec. 31	85.0	72.4	80.8	60.8	110.9	82.8	106.4	80.8	82.5	75.0	84.9	72.5

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 5	100.17	71.94	64.20	18.43
Jan. 4	99.34*	72.12	64.19	18.49
Jan. 2	—Holiday—			
Jan. 1	—Holiday—			
Dec. 31	98.57	70.59	63.30	18.04
Dec. 30	98.30	69.70	62.97	17.97
Month ago	95.29	65.72	62.86	17.91
Year ago	93.40	83.52	70.73	18.65
High 1942	98.78	83.71	71.01	18.86
Low 1942	79.85	50.16	58.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Jan. 5	52.2	63.8	59.9	75.28	50.80
Jan. 4	51.8	63.4	59.5	74.07	49.15
Jan. 2	—Holiday—				
Jan. 1	—Holiday—				
Dec. 31	51.2	63.5	59.4	73.82	48.73
Dec. 30	51.1	63.6	59.4	73.78	48.56
Month ago	49.0	61.1	57.1	65.28	46.24
Year ago	42.8	60.3	54.5	77.15	54.82
High 1942	51.3	64.1	59.8	77.18	54.82
Low 1942	39.6	53.5	49.8	47.98	33.47

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Municipal—							
Burlington, Ont.	Jan.	J. L. Graham & Co.	4%	10-ins.	$10,000	101.56	3.69%
Twp. of North Monaghan, Ont.	Dec.	Dominion Securities	4%	1943-57	16,000	....	....
Ottawa (Correction)	Dec.	Wood, Gundy & Co., and Syndicate	2½% / 3%	10-ser. / 15-ser.	$105,457 / 24,883	101.03	2.44%
Dominion—							
Canada Treasury Bills	Jan.	....	....	Apr. 3	$45,000,000	99.868	.817%

Five Sound Investment Suggestions

Security	Rate %	Maturity	Price*	Yield %
Canadian Pacific Railway Co.	3½	1951	96.25	3.75
Simpsons, Limited	4¼	1951	102.50	3.92
Massey-Harris Company Ltd.	4¼	1954	100.00	4.25
Dominion Steel & Coal Corp.	6¼	1955	110.00	5.18
St. Maurice Power Corp.	5	1956	100.00	5.00

*All prices quoted "and accrued interest".

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Limited

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12-43

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HEAD OFFICE PARIS ONTARIO CANADA
VANCOUVER CALGARY WINNIPEG TORONTO MONTREAL

1943

Many Wills today express their maker's intentions but the new and unprecedented war taxes may make it impossible to carry out those intentions either in the spirit or the letter. If you have any doubts as to the position of your beneficiaries we invite you to consult our Officers in the coming New Year and make sure that your estate plan is practical and workable.

THE TORONTO GENERAL ★TRUSTS★ CORPORATION

Head Office: 253 Bay Street, Toronto

Broadened interest in the stock market is indicated by the fact that last month 359,914 industrial shares were traded on the Montreal Stock Exchange and Montreal Curb Market. This was the largest turnover for any month in the past year and more than 40% greater than Dec., 1941.

FEATURES
in the January issue
THE CANADIAN CHARTERED ACCOUNTANT

- Molders of a better destiny
- A year of the price ceiling
- Auditing cash and banking transactions
- Current accounting literature
- Revaluations of assets and reductions of share capital—1930-1939
- British war finance
- Students' accounting problems

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SOCIAL INSURANCE and ALLIED SERVICES
Report by
Sir William Beveridge
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THIS significant document is the first preview of the shape of things to come, prepared by a distinguished economist appointed by the British Government to submit a plan for post-war social and other problems. It is of vital importance that everyone should know the content of the
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BEWARE
THE DIMOUT IN SNOW or RAIN
It is more difficult for motorists to see
THE GENERAL ACCIDENT GROUP
357 Bay St. Toronto

NEW APPOINTMENT

Alex M. Miller has been appointed director of public relations for Small Arms Ltd., a Crown gun-manufacturing company. Mr. Miller was formerly regional manager for the office of the Oil Controller in Windsor, and prior to that was director of advertising for Chrysler Corp.

The Bondholder

Refunding of the $100 millions issue of Dominion 5's of 1952 in the United States will be carried out through issuance of three new maturities. Only $90 millions of the loan will be refunded, the balance of $10 millions being paid off.

The new bonds will be $30 millions at 2½% due 1948, $30 millions at 3% due 1953 and $30 millions at 3% due 1958. Offering will be handled by a syndicate of 134 dealers. Prices have not yet been officially announced but it is understood that the 2½'s and 3's of 1953 will be offered at par while the 15-year 3's will be offered at 98 to yield approximately 3.15%.

* * *

Such coupon rates will obviously mean a substantial saving in interest payments as contrasted with the 5% rate carried by the present loan. The rate obtained in this financing, which will be carried out in the United States as the bulk of the 5's are held there, compares favorably with that secured in Canada's domestic financing. Bond men here feel that the refunding operation should go over well as Canada's credit in the United States is high and the yield will still be high enough to prove attractive to American investors.

The fact that $10 millions of the 5's will be paid off has tended to stimulate New York trading in Canadian high grades payable in U. S. funds. Narrowing of the available quantities of such bonds by the $10 millions reduction has already seemed to add to American interest in Dominion and provincial direct and guaranteed issues. C.N.R. bonds were among the leaders in this renewed New York buying interest.

Earlier this month the market for Dominion issues in the U. S. was further tightened by redemption of $10 millions 2¼'s which were to mature May, 1943.

* * *

Bank of Canada holdings of short term high grade bonds jumped 106% during 1942. According to the bank's report, holdings of Dominion, Dominion guaranteed and provincial short term securities as at Dec. 31, 1942, amounted to $807.2 millions as compared with $391.8 millions at the end of 1941, an increase of $415.4 millions.

This increase is not represented entirely by new acquisitions of short term securities. Last June when an accumulation of some $700 millions of sterling was funded as a non-interest bearing loan to the United Kingdom, the bank acquired $193 millions of short term securities. The balance of the $415 millions increase in short term holdings is accounted for by an increase in treasury bills and passing in September and October of some Dominion bonds from the middle term category to the short term class, maturities of two years and less being classified as shorts.

* * *

Comparatively little support appears to have been necessary for the long term market. The bank reports Dec. 31, 1942, holdings of "other" Dominion, Dominion guaranteed and provincial securities at $216.7 millions as compared with $209.2 millions a year earlier, an increase of $7.5 millions or only some 3.6%.

* * *

Improvement in real estate conditions is reflected in bond quotations for this group over the past year. Demand for space has meant close to capacity conditions for many apartment houses and office buildings. Typical of 1942 advances for real estate bonds are such gains as 14 points for Adelaide Peter 6½'s, 6 points for Albert Bay 6½'s, 6½ points for Deer Park Manor 7's and 6 points for Wellington Bldg. 6½'s.

Montreal Stock Exchange and Montreal Curb Market report member borrowings at Nov. 30 totalled $5,227,065, practically the same as at the end of the preceding month, but $670,000 less than on Nov. 30 last year.

Retail Lumber Dealers Face Strict Controls

Threat of Serious Timber Shortage Gives Rise to New Wartime Order Restricting Deliveries For Unlicensed Building Projects in Canada

By STAFF WRITER

OTTAWA. — Canada's lumber business, as carried on by some 12,000 retailers, was put in a wartime straitjacket this week by an order which prohibited the sale of lumber or millwork worth more than $1,000 for any plant and $200 for any other building, unless the project had previously been licensed by the Construction Controller.

Reason for this step to restrict civilian use of lumber is the critical shortage which looms ahead. It is reported that of 150 to 200 million board feet of lumber needed to build shelters for prairie grain, only 25 million feet is obtainable. Greater bottlenecks are reported in structural timber for war needs.

1943 Outlook

For 1943, it is estimated that Canada will have available not more than four billion board feet of lumber, as compared with 4.3 billion in 1942 and five billion in 1941. Of the 1943 supply, approximately one billion feet will go to Britain, and the same amount to the United States, leaving only two billion feet to meet domestic needs. Of this total, approximately 80% or 1.6 billion feet will be required for direct or indirect war use, leaving about 400 million feet for civilian needs.

This is just one fifth the amount used in Canada in the last prewar year (1938).

The estimated amount of lumber which Canada will be able to supply to the United States in 1943 (about one billion board feet) compares with 1.5 billion feet in 1942 and 1¼ billion feet in 1941. It is, however, twice the normal prewar export from Canada to the U. S. which ran on average at around 500 million board feet.

The new order is expected to bring under stricter control all building projects in Canada. Although present construction regulations require a license for every building of $500 or over, and every plant of $2,500 or over, it has been obvious that so far as lumber was concerned the regulations had not been respected especially in rural areas.

Retailers Regulated

Now every retailer must refuse to sell any lumber without a license unless the amount involved is for less than $1,000 in the case of a plant and $200 in the case of any other building. Government business or orders from the Departments of National Defense or Munitions and Supply are not included in this prohibition.

Both Great Britain and the United States are pressing Canada for lumber far beyond present supply.

Up till now the chief restrictive influence on the purchase of lumber in Canada has been through the priorities which have been exercised by war purchases, rather than through direct control. Heretofore the chief emphasis has been to increase the supply of lumber.

The Shareholder

Despite irregular upward progress for many stocks, there is a large body of informed opinion that questions whether the present is an opportune time for the average investor to buy shares. This theory is based on the idea that the current upward move here and in the United States is near its probable top, and that a reaction is to be expected. It is applying the idea, well known to many investors who have made ill-timed purchases, that the top of a move is not a good time to buy. This is true even if the stocks selected eventually move higher when the final peak comes after a decline of substantial proportions. The fact that stock markets still move ahead, however, is proof that not everyone accepts the recommendation that better buying opportunities are likely to be found by exercising a little more patience.

* * *

Publication this week of comparative year-end quotes on unlisted stocks covering the last three years shows that many stocks made gains in 1942, some of them substantial. An outstanding performer, for example, has been Acme Farmers Dairy preferred, because of rumors of early moves to reorganize this company and its parent concern, Eastern Dairies, giving holders of Acme Farmers a favorable deal. Canadian Machinery and Canadian Motor Lamp, two rather inactive issues, have also done well. Colonial Steamships repeated its outstanding performance of 1941, reflecting improved financial strength and reduced debt. On the other hand other stocks gave their holders reason for disappointment. Canadian Industries common and preferred shares are good examples of this class, all being substantially lower at the end of 1942 than at the beginning.

Investment Notes

Brazilian Traction Light & Power Co. announces that the long drawn-out income tax dispute between some of the company's subsidiaries and the Brazilian tax authorities has been amicably adjusted. Amount claimed by the treasury was about $7.8 millions but a compromise was reached at approximately $5.4 millions. Appropriate reserves had been previously set up to cover this liability.

* * *

Waterloo Manufacturing Co. has been able to pay off its bank loan, which amounted to $384,467 at the end of 1941, during the current year, The Financial Post is informed. Net profits for 1942 are said to be well ahead of 1941's net which was equivalent to 32 cents a share on the common, and orders on hand assure continuation of high rate of operations into next year. The common shares are not listed but there has been a substantial rise in quotations on the unlisted market.

* * *

Hinde & Dauch Paper Co. in 1942 bettered its production record of 1941 and set new all-time highs, shareholders are told in a letter accompanying current dividend cheques. L. F. Winchell, vice-president and general manager, says this was the result of continued good demand for the company's products and further improvements made in processing.

Wartime restrictions are expected to be even more severe in 1943 than heretofore and may affect production, either directly or indirectly. On the other hand, it is experimenting on new types of war productions, which may result in new business.

* * *

Consumers' Gas Co. of Toronto reports an all-time peak in gas output for a 24-hour period on Dec. 20. No difficulty was experienced in handling a load which required production of 22.9 million cu. ft. of gas in 24 hours. This compares with 17 million cu. ft. on the corresponding date of 1941 but the temperature this year was 20 deg. lower. The 35% increase is stated to be due to demand for heating. More furnaces are installed now than a year ago while more manufacturers are also stated to be using gas.

VICE-PRESIDENT

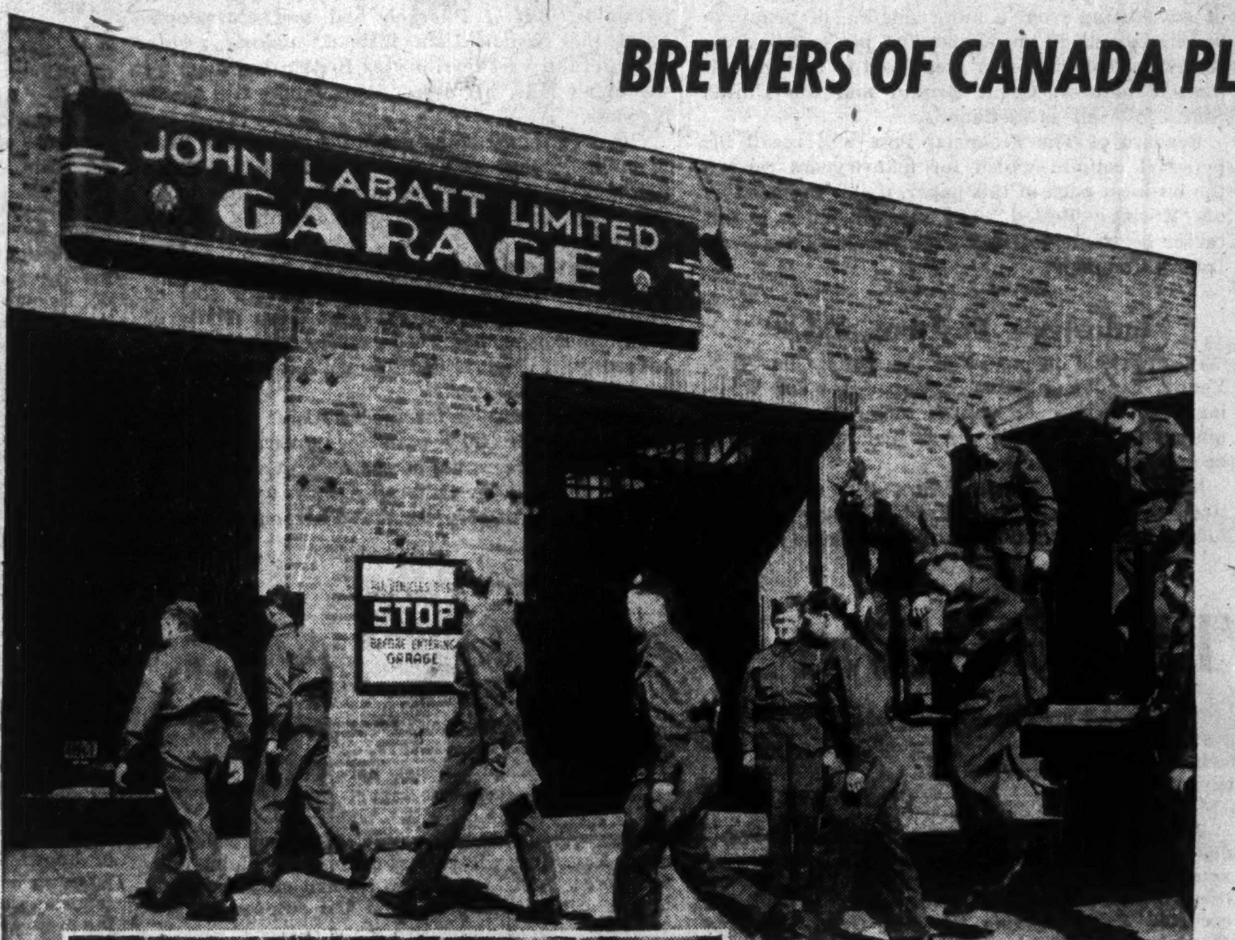
H. F. Nelson, Montreal, has been elected a vice-president of Langley, Harris & Co., Toronto. Mr. Nelson was formerly a director

VICTORY LOAN BONDS

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

Civilian Industry Too, Aids Mightily Canada's War Effort

BREWERS OF CANADA PLAY IMPORTANT PART

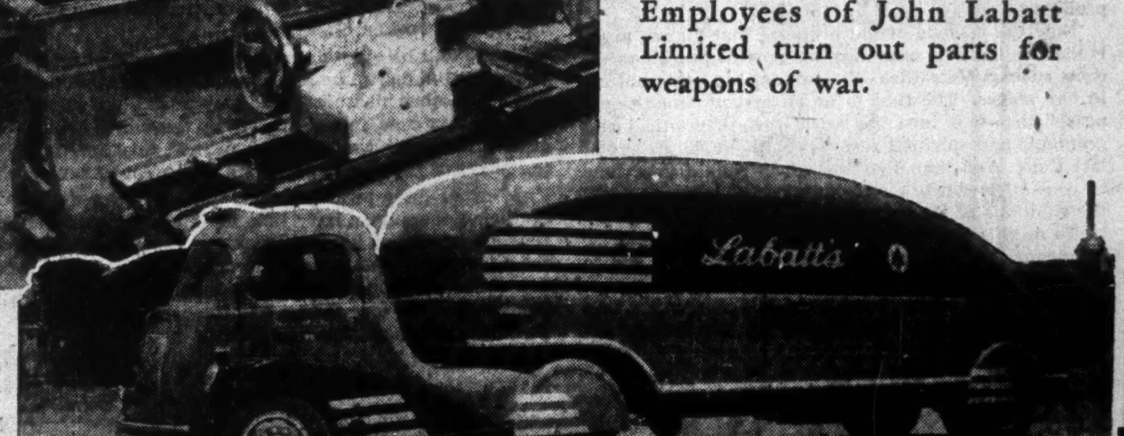


A NEW CLASS OF ARMY MECHANICS

. . . arrives for a course of practical instruction in the Army Mechanics Trade School, carried on by John Labatt Limited since 1941 as a contribution to the war effort.

MAKING THE TOOLS

. . . that will finish the job. Employees of John Labatt Limited turn out parts for weapons of war.



THEN AND NOW

One of Labatt's famous streamliners in all her glory and another on the blocks in the garage. Labatt's wholesale conversion from road to rail has saved something like 9 million tire miles in six months.

The "non-war" industries of Canada today are making a very definite contribution, in many different ways, to the successful prosecution of the war. Not the least of this extra help for the war effort comes from the breweries of Canada, which, apart from their intrinsic value in helping to maintain the morale of civilians and fighting men alike, are making noteworthy direct contributions as well. Here, for example, are some of the things one Canadian brewery is doing to help win the war:

At John Labatt Limited, century-old brewing concern of London, Canada, all the usual ways of helping the war effort—Victory Bond and War Savings subscriptions, "backing" for the men in uniform, advertising in aid of war projects, and so on—were cheerfully undertaken by both management and employees . . . then they looked around for other ways to help.

TRAIN ARMY MECHANICS

In days of peace, a welcome sight to many a motorist in distress were the huge streamlined transports of Labatt's, which never failed to offer practical help to a car in trouble. Behind these trucks was a highly efficient maintenance service and it was this service which suggested an important part of Labatt's extra war effort.

Back in 1941, arrangements were completed with the military authorities to operate in the Company garage a trade school for army motor mechanics, utilizing the facilities of the garage and the services of the Company's expert mechanics as instructors. Since then, seven classes of skilled mechanics have graduated from this school, and a great deal of mechanized equipment for the Army has been repaired and overhauled by the student mechanics.

MACHINE SHOP INSTALLED

Then Canada's "bits and pieces" programme offered an opportunity for a further contribution. Equipment for a complete machine shop was purchased and installed in the Company's garage. Employees of the Company's Hotel Service Division, released from their regular duties through restrictions on services, undertook an intensive course of machine shop training. Machines and men are now engaged in turning out a steady stream of materials for weapons of war.

CONSERVE RUBBER AND GAS

Months before restrictions were imposed on the use of trucks, Labatt's began transferring the bulk of its shipping from road to rail and, even now, are far ahead of the regulations in this respect. The mileage covered in the past six months is less than one-third of that covered in the same period of last year, and represents a saving of almost 9,000,000 tire miles.

ESSENTIAL INDUSTRY

The extension of its operations to provide these extra services has not affected materially the Company's chief contribution—the brewing and bottling of beer. The management and workers of this Company know that the present British Government, remembering the experience of Britain during the last war, regards brewing as an essential industry. Munitions production, it has been proved, is damaged if the working man is deprived of a reasonable supply of his beer.

John Labatt Limited
LONDON • CANADA

The Editorial Page . .

Dangerous Apathy

Recent municipal elections have shown a continued decrease in public interest. In Toronto, for instance, only something like 20% of the eligible voters took the trouble to go to the polls and the record is all too typical of all larger centres. While there is an axiom that electors get the kind of government they deserve, it is most fortunate that, in general, electors are getting better government than their present conduct deserves.

Most Canadian municipalities have the good fortune to have reasonably efficient administrations which have been doing a noteworthy job in reducing tax rates and cutting down on their funded debt so that their communities will be in better shape to meet postwar conditions. But how long such government can continue in the face of such public apathy is a question to be seriously considered.

Problems looming up for the municipalities after the war may be greater than they have ever faced before. Many centres face the prospect of idle war plants and idle men and women. The need for planning now to meet potential postwar dangers has been recognized by many municipal leaders and municipal organizations. Obviously their efforts must be of a limited scope if they are unable to count on the helpful interest of the people for whom they are working.

The municipal governments have and will continue to have an important role in our governmental system. There is small incentive to make that role more efficient when candidates outnumber voters at an election meeting and the total number of votes cast represent only a miserably small percentage of the total possible.

Ignoring Rationing Warning

There is room for a good deal of education in regard to rationing. Too many people still don't realize that the basic idea is to cut down consumption, because for some reason or other, we are unable to supply normal domestic demands.

True, rationing is also designed to give us a more equitable, or in the case of certain strategic materials, efficient distribution of what goods we have. But these are only by-products. The main job must be to cut consumption below peacetime normal. When we all realize that, then we will be happier and the job of distribution simpler.

Had there been abundant supplies of gasoline, rubber, tea, coffee, sugar and butter, then we would not have had to resort to rationing. It was only because these were getting extremely limited or tending sharply in that direction, that drastic measures had to be adopted. This being the case, then it behooves every one of us not only scrupulously to observe the official rules in regard to maximum amounts of these rationed goods allotted to us, but to economize still further within the official maximums as well.

No matter how much gasoline we are allowed, it is up to each individual citizen to see that not one drop is wasted. And the same rule applies right down the list of all scarce commodities, whether actually rationed yet or not. Only by the utmost individual economy can we hope to get through this war without extreme privation.

So far, compared with the peoples of Britain or the rest of Europe, Canadians have got along with only a modest contraction in the prewar standard of living. Financially, and also in transportation, we have made sacrifices, but in the matter of the essentials—food, clothing and shelter, the great majority of us are almost as comfortable as before the war. There is a good prospect of continuing somewhere close to that comfortable level, if we increase our vigilance against waste.

Shareholders Have Rights

Company directors reporting to their shareholders this year have both an unusual responsibility and an unusual opportunity. Arising out of the growing shift from regular peacetime work to war production, there is a real worry in the minds of shareholders as to what the effect of this may be on the earnings of their company and its general financial strength.

Restrictions on announcement of details to avoid giving "aid and comfort to the enemy" need not prevent directors indicating in greater detail than usual what the coming year may hold. They can tell whether or not war orders have been obtained in sufficient volume to maintain operations on a satisfactory level. They may even suggest, as does G. W. Mason, president of Kelvinator of Canada, that war work will or will not permit a profitable year in 1943.

Even allowing for the unexpected changes which war always brings and the unpredictable events commonplace under today's circumstances, shareholders are clearly justified in expecting more than the usual intimation that "uncertainties prevailing do not permit any appraisal of what the coming year may bring," a form of statement far too common in annual reports of Canadian companies.

U. S. Pays Tribute

Appreciation of Canada's war effort should receive a substantial stimulus in the United States after comprehensive reviews last week-end by the New York Herald-Tribune and New York Times. The Herald-Tribune devoted 14 pages of its Sunday issue to tell its readers of the accomplishments of the Dominion after three years of war. Both papers recognize the important place that Canada has taken in the over-all effort of the United Nations against the Axis.

Through these two important and authoritative journals, many United States citizens will learn to what extent Canada has gone to war. They will be able to read details of our munitions production programme and output of the raw materials that underly those munitions. Data on how Canada is financing its share of the war effort and how heavily Canadians are taxed compared with Americans are set forth.

It has long been claimed that the Canadian war effort has never been properly understood or appreciated in the United States. By publishing many of the facts the Herald Tribune and Times are helping to counteract that situation.

John C. Kirkwood

Canadian advertising and Canadian business lost a valued friend and shrewd adviser in the death of John Campbell Kirkwood this week. Above all Mr. Kirkwood was a kindly man, generous and wise in his counsel which was based on a lifetime of experience and wide reading.

In his 74 years he had witnessed the growth of advertising from a mere sideline of primitive merchandising to an outstanding profession. John Kirkwood contributed a great deal to that growth himself both in Great Britain and the United States, as well as in Canada.

Readers of The Financial Post will recall his personal column which for many years ran on the business page of this paper, under the heading of "Keeping Posted." At several times in his career he was associated with The MacLean Publishing Company.

Industry's Postwar Stake

In an article on page 7 of this issue, Charles E. Young, Economic Research Supervisor for Westinghouse Electric & Manufacturing Co., calls attention to aspects of postwar planning that have been somewhat neglected.

Mr. Young stresses the importance of financial strength in the individual firm if industry is to perform its postwar duties, and bear the new burdens which it will almost certainly be called upon to carry. He points out that the individual business must always adapt itself to conditions, that to buck the trend is to invite bankruptcy, and that financial weakness would automatically vitiate any postwar plans that industry may devise.

These are homely truths, but ones that are perhaps not receiving sufficient emphasis today. The primary responsibilities of management are initiative and economy, both in their broadest sense. If these two functions are performed, management will be able to offer good and steady jobs to labor, good products to the consumer, and a reasonable return on the capital invested in industry.

Under competitive conditions, industry cannot claim the ability or assume the responsibility for creating "full employment," or any of the other national conditions that we now feel are desirable, and if the present emphasis on planning leads the public to believe that industry can do the job alone, there will be sad days ahead for all of us.

What industry can do, and in many cases is doing, is to make up its mind as to precisely what sort of postwar world it wants and then let the rest of the country know about it.

Pyramid Dreamers

Paradoxically, the more our "State-ist" pleaders clamor for full employment through government auspices, the more vital does the role of private enterprise become.

At the moment, the danger is to overrate the importance of having everyone at work and to underrate the importance of what they are working at. Pharaoh found work for everyone—building pyramids. But if Pharaoh had had his people build the Assuan Dam instead, making fertile and useful a vast territory as Britain has done on the upper Nile, his descendants might still be in business.

It is certainly better to build a pyramid than to build nothing at all, but posterity is not going to thank us for following a blueprint that looks fine today, only to prove useless or simply decorative tomorrow.

That's where private enterprise, with emphasis on the "enterprise" comes in. Whatever sort of postwar world we build, it must leave plenty of room for Edisons and Fords, must ensure that real enterprise is not stifled by rigid governmental plans or bureaucrats.

And the paradox for the "statists" is that the larger the rôle they plan for government, the more vitally free must be the enterprising section of the community. Otherwise they will give us the same sort of security that Pharaoh got in his pyramids.

Cartoon by Grassick.

NO MANPOWER POLICY = FARM LABOR CRISIS = FOOD SHORTAGE

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

A Two-stage Peace Settlement

Before a Chicago audience the other day, Ex-President Herbert Hoover, outlined in detail a completely new plan for making peace. As head of the international organization responsible for relieving famine in occupied Europe during the first Great War and throughout a much wider area of that continent immediately after the war, Mr. Hoover was able to study at first hand, conditions before and after the peace of 1919. His views, therefore, are of more than usual importance in considering the settlement of the present conflict. Main essentials of his new peace plan are outlined in the following paragraphs taken from his recent speech.

* * *

If we are not again to see the tragedy of Versailles, we must have a new approach to the whole method and process of peacemaking. We must avoid the whirlpools and rocks upon which that conference was wrecked. And the recovery of the world must not be dangerously delayed again.

There are two separate problems here. The one is the method or the machinery by which we make peace and the other is the settlement of the problems of peace themselves. Our first necessity is to provide a stage for peacemaking that will favor the spiritual forces—good-will and idealism rather than old-time diplomacy. We must prevent nests of intrigue that can again do evil. And we must take time to solve these problems.

Now the essence of the proposal that I have made is that we have no armistice, no general peace conference, such as Versailles—that we set the peacemaking in two stages. The first to be an instant "conditional peace" that will turn the world toward political and economic and spiritual recovery without the delays of last time. And then that the world should take time to cool off and work out one by one and separately the solutions of lasting peace.

To do this the United Nations would need to agree in advance to the terms of a conditional peace and to a subsequent programme. They will need to impose the conditional peace and enforce it. Enforcement will not be difficult for immediately at the victory the enemy will obviously be required to surrender his arms. The Allies will possess the only remaining military force. And in fact even a small air force could impose conditional peace and the subsequent programme.

The declaration of conditional peace should embrace a minimum of

1. The total disarmament of the enemy.
2. The designation of provisional boundaries to nations.
3. The machinery for repatriation of prisoners and civilians driven from their homes and
4. The removal of the economic blockades the instant that the enemy has handed over his arms and
5. The immediate organization to relieve famine and combat pestilence and aid in reconstruction. Otherwise there will be anarchy and no peace and
6. The provisional restoration of all commercial treaties that trade may begin again.

With those minimums the world could move forward.

There will be a host of gigantic problems to be solved afterward. There must be machinery for the preservation of peace. There are the problems of world disarmament and of long-view international economic relations. There are the problems of disposing of enemy countries, and of the government of backward nations, solutions of Europe's irredentas and federations of weaker States.

There will be questions of reparations and of intergovernmental debts, the punishment of criminal action and many other measures. And they must be so solved that the dynamic forces of evil in the world which always make for war are extinguished this time and the forces of peace given strength and an opportunity.

Many of these problems must have time for deliberation. Others must have time for the cooling of war revenge and other hatreds. Many of them must have time for the development of world opinion and the adherence of people. And they should be separated from each other for solution and they should this time be solved on their separate merits.

Post-Scripts . . . .

Beveridge Link With Canada

Sir William Beveridge, the Master of University College, Oxford, who has come into the international limelight through the publication of his now famous report upon the social services of Britain is no stranger to Canada. During the summer of 1924 he spent a considerable period within our bounds when the British Association for the Advancement of Science held its fourth meeting at Toronto. Sir William had long been an active member of this body and, since he then held the post of director of the London School of Economics, it was natural that he should take a leading part in the proceedings of the economics section of the association.

SIR W. BEVERIDGE

The Toronto Globe in its issue of August 9, 1924, has a fairly exhaustive report of a discussion upon birth control and its social effects, which was initiated by addresses from Sir William and Professor R. M. Maciver, then head of the Department of Political Science in the University of Toronto. The report asserted that Sir William startled the economics section with "an analysis of population trends that was little short of astounding in its implications." Sir William began by asserting that the spread of knowledge about birth control was going to be as revolutionary in its consequences as the invention of the printing press or the discovery of gunpowder. He pointed out that as the results of its spread there had, during the previous forty years, been a steady decrease in the rates of births and marriages in Britain, Holland and most countries with more advanced civilization. He predicted that Great Britain might possibly reach 50 millions, but that this figure would be its peak and thereafter it would begin to decline.

From this development he foresaw a number of important consequences. The British Minister of Education, he said, would, within twenty years, have to provide educational facilities for a million fewer children and the changes taking place in the population of Britain would produce by 1940 a preponderance of people in the old age groups.

On the premise of this development he ventured upon three prophecies, each of which has proved accurate. He forecast that young countries like Canada could not look to an inflow of youthful British immigrants on the same scale as had been available, that the difficulties of the problem of providing old age pensions, with which he has been dealing in his latest report, would be accentuated and that there would be in Britain an increasing tendency to conservatism in politics, a prediction which the almost uninterrupted ascendency of the Conservative party since 1924 has verified.

Other prominent economists took part in the discussions but Sir William was obviously the star performer. He made abundant use of his opportunities for increasing his knowledge of Canada's economic conditions and he took advantage of some of the tours which were arranged for the benefit of members of the association. He also made the acquaintance of a large number of prominent Canadians.

* * *

Canadianizing R.C.A.F.

Establishment of a Canadian bomber group in the United Kingdom brings definitely closer Air Minister Power's dream of a Canadianized air force. In and out of parliament Mr. Power has fought for grouping Canadian airmen in solid fighting units under the general command of the R.A.F. rather than scattering them individually through the senior service. His supporters claim that such is a natural development and point to the fact that at the end of the first Great War fully 25% of the flyers in the British air forces were Canadians and claim that before this war is over 50% of all Empire air crew will be from this Dominion.

MR. POWER

Charles Gavan Power, after a meteoric military career in the first Great War, followed his father's footsteps and went into politics. He got himself elected to the House of Commons in 1917 for Quebec South, and has represented it ever since. Though Irish, short, dark, emotional "Chubby" Power, looks more like a French Canadian than many of his chief constituents and talks either French or English with equal fluency. He was long regarded by political friends and foes alike with some apprehension as to his unorthodox political views, but appears to have settled down in recent years.

To Power goes most of the credit for the smooth working of the British Commonwealth Air Training Plan and the steady flow of trained airmen overseas. If he had his way practically all the air-crew members of this export would be commissioned and the great bulk of them would go into all-Canadian air units.

Commanding the new bomber group, Power has just announced, is Air Marshall G. E. Brookes of Ottawa and Toronto. He joined the R.C.A.F. in 1921 and is one of the oldest men in the Canadian Air Force, in point of years of service. He was air officer commanding No. 1 Training Command at Toronto before going overseas to organize and lead the group.

MR. BROOKES

A brisk, distinguished-looking man, who keeps himself in the pink of physical condition, Brookes has a lively sense of humor. He has a fluent command of language, is able to handle himself better before an audience than are most men in the services.

He is known as a disciplinarian who, at the proper time and place, can forget his high rank and show that the stuff inside his shirt isn't just stuffing. Men who have served under him say Brookes is "one of the best," give him the "thumbs up" symbol of approval.

* * *

Historian

Professor George de T. Glazebrook, recently named a member of the committee which is to direct the work of the Foundation established by an unknown British philanthropist for the purpose of promoting a variety of educational and cultural activities in the interests of Imperial solidarity, is a Torontonian. He is the only son of Arthur J. Glazebrook; an Englishman, who had an exchange brokerage business in Toronto for many years and was a very prominent and public-spirited citizen, and his mother was a native of New Brunswick. He received his early education at Upper Canada College and from it he proceeded to the University of Toronto where he had a very distinguished academic career. There he won a scholarship which enabled him to spend three years at Balliol College, Oxford, where he took a good degree.

PROF. GLAZEBROOK

After he had completed his education, he selected academic work as his vocation and obtained an appointment immediately as a lecturer in history in the University of Toronto. He was later promoted to professor.

In addition to teaching, he has written a life of Sir Charles Bagot, who was Governor-General in the forties of last century, a life of Sir Edmund Walker, the well-known president of the Bank of Commerce and a History of Transportation in Canada. Within the past few weeks the Oxford University Press has published a small brochure written by him on the subject of "Canada at the Paris Peace Conference" and almost simultaneously a second volume, "Canada's External Relations."

Professor Glazebrook's knowledge of the history of our transportation system resulted in his being employed to do a lot of useful research work for the Duff Commission which investigated and reported upon our railways' problems about ten years ago. He has also been very active in the work of the Canadian Institute of International Affairs and and more than a year ago his special familiarity with certain questions brought to him an invitation to abandon academic life for a time and join the staff of the Department of External Affairs. He has therefore, for some time past, been a resident of Ottawa.

He has not married and when he was in Toronto he lived with his mother and sister.

* * *

As Others See Us . . .

Aid to Russia
North Sydney Herald

It is to be hoped that the current drive to provide funds for relief of the Russian people, sponsored by The Canadian Aid to Russia Fund, will find willing and ample support from the Canadian people.

But The Financial Post has had widespread support for its contention that, laudable as the cause may be, the government should not have sanctioned a separate campaign by a new organization when there is already existing a reputable and well-organized body like the Canadian Red Cross capable of doing the job and ready to do so.

The increased efficiency and the very substantial savings effected by grouping appeals for many causes in the one Red Cross appeal and in entrusting the contribution of funds to one highly experienced administrative body are evident.

* * *

Strikes in Wartime
Truro Daily News

The Financial Post comes out editorially and says in effect that it is preposterous that the Government of Canada should allow stoppages of work in war production factories. The Post points out that in one walk-out in the Ford plant at Windsor, Ont., 13,500 workers were idle for six days. This stoppage of work meant that our fighting men at the front lost in that time several thousand fighting vehicles. This was as great a victory to our enemies as would be a successful counter offensive by General Rommel in Libya.

We think that it is time that the laboring people, men and women who are safe and secure in the factories in Canada, earning money that they never earned before, should have some regard for our fighting men overseas.

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Other People's Views . . . . .

The Canadian Editorial of the Week

A Stern New Year
Family Herald & Weekly Star

The New Year will be happiest if we face it sternly.

Rejoicings at victories are out of place, —they can easily turn into defeats. Too much pessimism and too much optimism lead to unhappiness—they conceal Truth.

A stern and realistic facing of the facts about our part in this harsh war will bring to ourselves, and to the world, more happiness in the end, than any other attitude.

We can hope that the worst is over—but we should face the fact that for Canadians it is probably still to come. Little Canadian blood, little Canadian ease, little Canadian prosperity has been sacrificed on the altar of Christian Freedom—so far. We have no right to expect that we shall continue to escape so easily.

We can hope that the tide of battle has turned, but the only way to make sure is to act with the stern determination of a people on the verge of terrible and final defeat. Many a careless fighter has been knocked out just because he was too sure the fight was won.

1943 may not be a "happy" year for Canadians in the superficial sense, but it may well be a great year—a heroic year, if Canadians meet it with great hearts.

* * *

The Mail-box . .

"Why Protect Butter?"

Editor, The Financial Post:

Your editorial "Why Protect Butter" in your issue of December 26 was not up to its usual standards of fairness or in the amount of consideration you apparently give to the writing of these editorials.

You say "Canadian butter producers have failed to live up to their responsibility to the consumers." By this you apparently mean the farmers who are producing the butter fat which is the raw product used for the production of butter.

There are a great many reasons for this, some of which are as follows:

The appeal to the farmers in cheese districts on patriotic grounds by the government to divert their milk from the creameries to the cheese factories.

The holding of the ceiling of the prices of cheese at a point, until recently, where the cheese factory, could pay, at the rate of ten cents per pound more, than the creamery for butter fat.

The introduction, of a subsidy, by the government of six cents per pound butter fat, which was six months too late and 4c. per pound too little.

This despite the fact, the Wartime Prices and Trade Board, were warned a year ago, by the producers and manufacturers organizations interested in the butter industry, what would happen.

Farmers cannot compete with wages paid by the government or the wartime industries of from sixty cents to one dollar an hour. Many farmers' sons have gone into the army and the great majority of the farm help has gone into war work. Belatedly a regulation was brought down under the Selective Service Board, keeping men on the farms. The barn door was locked, after the stock was stolen. The men had already left the farms.

There is no one more patriotic than the farmer or a harder worker. There must be a sympathetic view and understanding of his problems. Like any other businessman he has to consider the prices of his products, the labor he has available, and use them to produce what will give him the best return to keep himself afloat.

J. D. SIBBALD,
Reeve, Township of Georgina,
York Co., Ontario.

Editor's Note—The editorial did not dispute any of the points raised by Reeve Sibbald, in fact agreed that there had been official bungling. It maintained, however, that another party, not mentioned by Mr. Sibbald, was also vitally interested—the consumer. The latter has been unable to get normal supplies of butter and under such circumstances the editorial implied he should be entitled to any cheap substitutes or imports available. So far, however, no move has been made either to lower the tariff on butter or permit manufacture and sale of oleomargarine.

"We've lost all our rubber, most of our tin, our hemp, our silk. We've lost ships by the hundreds, men by the thousands. We've lost everything except a smug sense of complacency, and that is one thing we've got to lose and lose fast, or we'll lose our independence."—*Lt.-Gen. Brehon B. Somervell, commanding U. S. services of supply.*

Sayings of the Week

"We've eaten all our cavalry."—*Rudolph Richter of the 133rd (German) Rifle Regiment on the Stalingrad front.*

* * *

"Europe says we (the United States), like to brag—but we can also deliver. We can produce twice as much as Germany and Japan together, and I'm willing to throw Italy in for good measure."—*Wm. S. Knudsen.*

* * *

"In laboratories throughout the country, investigations are going on behind closely-guarded doors which may at any instance, revolutionize the course of the war."—*Dr. Charles Allen Thomas, head of research for Monsanto Chemical Co.*

* * *

Stop Me If . . .

Aware that the French were a great drinking race, the Germans when they first occupied France tried to reform them by putting up large posters reading:

"Beware of alcohol. It kills slowly."

By next morning the French had scribbled their answer across the official posters.

"Don't worry. We are not in a hurry."

Now is the Time to Plan Postwar Opportunities

Says Charles E. Young, Economic Research Supervisor For Westinghouse

If we are to deserve the freedoms for which we are fighting, we must be prepared to work for them. It will not be enough to argue defensively against critics who would exchange them for the doubtful blessings of some new way of life. We must carry the attack to these critics of freedom, and place the burden of proof on those who contend the usefulness of free enterprise to the American people is past.

The prime necessity for such aggressive action will be strong, alert, aggressive companies when the war ends and the postwar adjustment begins. Here is a job we know how to do. We need not wait for a clearer view of the postwar world. Now—while the war continues — is the time to build up the strength and soundness within individual companies which will provide a sound basis for postwar progress. Now, as always, alert managements must look beyond the needs and problems of the moment to the needs and problems of the next step forward.

Fit Into Programme

One of the primary things an individual company can do now about preparation for peace is to take part in and keep itself informed about the plans being prepared in Washington and to fit its own preparations into the general programme. This will inevitably require the reconciliation of opposing viewpoints and objectives. It will take time. If we wait until the war is over to start objecting and revising, we shall hinder rather than help effective action when it is needed. This information-gathering and exchange of viewpoints should be conducted either by the chief executive officer of the company or by someone reporting to him or to a committee representing all the departments concerned.

There are three "musts" for such preparation:

First, this preparation must be specific. It must examine in detail the problems and opportunities of each individual department and activity of the business in the transition from war to peace.

Second, preparation must be co-ordinated. Conflicts of interest between departments must be ironed out and eliminated by the top management. For effective execution the details of departmental planning must be combined into a coherent, workable and flexible programme.

Third, preparation must be progressive. It must look to advancement, not retrenchment. It must look to more jobs, more production, more efficiency, to lower unit costs, lower prices and less waste.

Employee Relations

Probably no one phase of postwar planning has received as much publicity as full employment. We often hear it approached as if it were entirely a problem for industry. Actually, in peacetime, never much more than one out of every four American workers has been employed in manufacturing.

Yet in our complex society the well-being of all our people has depended on the activity and production of this critical one fourth. Granted, then, that it is not up to industry to find jobs for 56 million Americans, the success of the whole effort at full employment, and the livings of 42 million workers and their families will hinge to an important extent on the success of industry in keeping 14 million people busy in manufacturing employment.

If industry can meet this objective with a minimum of government help and direction, the pressure for abandonment of free enterprise will be greatly reduced. The reverse is also true.

In this address before the American Economic and Business Foundation, Mr. Young offers business a primer on planning. His major points:

That businessmen must plan how to fit their companies into the postwar pattern, making full allowance for the changes created by war; and

That to do it, the individual firm must make heavy wartime depreciation and contingency write-offs in order to ensure itself of adequate financial strength for the future.

Every manufacturing worker whom industry does not absorb, plus the three non-manufacturing workers who depend indirectly on his productive employment, plus the families of all four, will be potential supporters of new schemes promising jobs for all.

One Project Apiece

Here is the cruelest dilemma of them all, for even the largest enterprises of our economy are forced to follow, rather than oppose, the rising and falling tides of general business activity which determine demand for their products and hence the employment they can provide. The goal of full employment will require of every individual company, to set an upward tide in motion, at least one project which will afford temporary employment after the war and one project which will afford permanent and expanding employment. Opportunities for temporary-employment projects will be abundant in the re-conversion and reconstruction period immediately following the war. Permanent-employment programmes will require considerably deeper thought and vastly greater courage.

We shall need individual companies strong enough to take the risks involved. To those who are reluctant to take these risks, we can only say, "Consider the immeasurably greater risks of doing nothing, of waiting for agitators to sell the people a new system offering jobs at the price of freedom." As a rough rule of thumb, these new projects might be aimed at employing about 10 per cent of the average number of people actually employed in each company in the year 1940. This would not entirely close the gap, but it would be a good start, and would start the interplay of productive employment and increased demand for goods which would close it further.

We appear to be well along in a definite trend toward higher wages and a greater voice for rank-and-file workers in the decisions of management. The response of progressive managements cannot be merely to buck this trend with all the power and vehemence at their command. These new developments require positive direction where they will do the most good—training and equipping workers for more productive operation that will merit higher pay, and educating them in the many-sided considerations they will need to understand to use wisely their new voice in the affairs of industry. The spiral of wage demands and mechanization need not be a vicious spiral unless we make it so.

Financial Management

Underlying all the questions which need consideration by individual managements for the postwar period are the problems of financing corporate activities when the war ends. Aggressive action cannot be expected from companies that are financially sick. For the individual company there are at least two basic requirements for successful postwar financing. Financial resources must be adequate for any probable developments, and they must be flexible. Desirable activities in one phase of the business must not be hamstrung because funds are irretrievably tied up in another.

The normal and desirable procedure for establishing these sufficient and flexible resources is to set up reserve accounts for expected requirements and contingency reserves for possible unforeseen needs. Every statement by businessmen that sizeable postwar reserves should be set aside from wartime earnings before taxes are paid gives rise to suspicion that this means nothing but deferred profits for stockholders at the expense of a nation at war.

This is simply not so. Every American who has shared the higher living standards achieved under free enterprise — and this means every man and woman— has a vital stake in the postwar soundness and strength of the individual companies that make up that system.

To make sure that this doesn't simply serve to fatten individual companies and their owners at the country's expense, let's tie a good stout string to these wartime reserves, with the tag, "Not available for dividends. Good only if spent after the war for the purposes stated—otherwise to revert to the government as wartime taxes." But let's not simply trust to luck that the champion will be ready to win the postwar battle without special preparation.

If we do not provide these essential reserves out of earnings before taxes, they will have to be provided from earnings after heavy wartime taxes. This would mean requiring one group of people, the owners of large and small businesses, to pay the entire cost of a sound and flexible postwar structure, essential for the welfare of all groups, out of an income already drastically restricted by wartime taxes. This is contrary to the principle of equality of sacrifice at which we are aiming during the war. Even more serious than its injustice is the prospect that such a procedure is most unlikely to provide as much reserve strength as free enterprise will need to have at the war's end.

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Your Wartime Business

To aid its subscribers in dealing with the numerous and complex problems created by wartime regulations, The Financial Post offers this new service. Its purpose, to provide as rapidly as possible the answers to specific business problems. As with its other enquiry departments, The Post reserves the right to refrain from answering questions on which the rulings are not clear, or questions whose answers depend on forecasts of coming events or are matters of individual business judgment. In these cases, we will endeavor to present the relevant facts on which the enquirer can base his own decisions.

Is it permissible for me to hire a "drive-yourself" automobile to deliver goods from my store when my regular delivery truck cannot handle the rush?

No. This is prohibited by an order of the Transit Controller, which states that "no person shall hire, rent, take possession of, or use any U-Drive or Drive-yourself automobile except (a) for business purposes, not including the delivery of goods, or (b) for an exceptional emergency."

As a merchant in a power shortage area, is there anything to prevent me lighting the windows of my store with oil lamps?

An order by the Oil Controller says that "no person shall use any petroleum product for lighting in any power shortage area for . . . interior or exterior show window or show case lighting." Use of such lighting is also banned for signs, show cases and other decorative or advertising purposes.

My son is coming home on leave from military training camp. Can he get a ration book?

If his leave is for seven days or more he can obtain a ration book by applying to the local rationing board and producing his pass.

I have lost my book of ration coupons. How can I have them replaced?

Go to the local rationing board and fill out a statutory declaration of your loss. You will be given a temporary ration card good for one month. If you haven't found your coupons by the end of that time, return to the board, and you will get a replacement book provided authorities are convinced that the loss is valid.

The Week in Business

Looking back on 1942 as portrayed by business statistics, the early months of the year saw Canadian business still spurting upward under the stimulus of war. But in the last half of the year, it became increasingly evident that a near peak had been reached at limits set by the physical size of our plant and working force, particularly the latter.

Carrying forward into 1943 it appears that any new peaks achieved will not be materially ahead of those of late 1942. They may be noticeable in different industrial divisions, however, as the effects of diversion to war production grow.

Cost of living index at Dec. 1, 1942, was up fractionally over the previous month at 118.8 and exactly one point higher than two months ago. Over the past year there has been a rise of three points.

Retail sales in November were well above a year ago. Department store sales as measured by the Dominion Bureau of Statistics index, reached 170.7 compared with 152.9 for October and 137.6 for Nov., 1941. **Country store** sales in the latest month were 15% above a year ago. All regions showed gains which ranged from 1% in northern Ontario to 30% for southern Saskatchewan.

Dividend payment index compiled by Nesbitt, Thomson & Co. in December, declined from the previous month by 0.4 points but remained 2.4 points above Dec., 1941.

Pig iron production in November totalled 170,578 tons compared with 149,783 tons a year earlier. For 1942 to the end of November, cumulative total is up 450,000 tons, or 32.9%. **Steel production** in November was 270,812 tons against 247,931 a year ago and for the 11 months was about 400,000 tons, or 16% higher.

Flour production in November totalled just 1,973,401 bbls., up about 310,000 bbls. from Nov., 1941. The 11 months of 1942 saw a total output of 18.7 million bbls. against 18.9 million a year ago, or a decrease of 1%.

	Dec.	Nov.	Oct.	Sept.	Year Ago
Physical vol. of business, D.B.S.*	....	....	207.2	206.1	178.7
National Income, D.B.S.•	....	....	....	646.2	600.3
Nat. Income Index (1935-39=100)	....	....	....	190.1	176.6
Dom. war expend. (million $)	....	209.6	175.9	207.3	121.3
Dom. total revenue (do.)	....	180.7	203.9	162.4	108.8
Dom. total expend. (do.)	....	335.5	257.4	316.9	171.5
Retail sales index no.	....	....	151.9	152.2	138.1
▪Dept. store sales index no.	....	170.7	152.9	152.7	137.6
Wholesale sales index no.	....	....	....	177.7	171.2
▪Country store (% change pr. yr.)	....	+15.0	+16.7	+12.6	+5.0
▪Divd. payment index‡	122.7	123.1	123.3	123.5	120.3
Bank deposits (1926=100)	....	185.1	179.1	170.1	156.0
▪Cash and cheque pay. index	....	197.8	161.3	139.7	132.2
▪Bank debits (1935-39=100)	....	164.0	135.7	134.5	113.2
▪Money supply (c)	....	4,280	4,120	3,927	3,501
NEWSPRINT % OF CAPACITY—					
Production ratio	....	....	70.6	72.4	84.1
Shipment ratio	....	....	76.9	82.1	80.3
RAILWAY FREIGHT LOADINGS—					
Tons	....	137.2	134.5	127.1	139.6
Cars	....	126.5	124.6	117.4	124.4
COST OF LIVING—					
▪D.B.S. index	118.8	118.6	117.8	117.4	115.8
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	....	181.3	179.3	165.8
Manufacturing	....	....	218.3	215.5	184.9
Payroll (June 1/41=100) (b)	....	....	137.9	135.5	113.3
Payroll index (a) (1937=100)	....	....	222	210	189

	1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—					
▪Carloadings (week Dec. 26)	48,536	45,013	3,375,111	3,189,463	+5.8
▪C.P.R. gross (week Dec. 31) $	7,802,000	7,008,000	257,864,000	221,447,000	+16.4
C.N.R. gross rev. (Nov.) $	31,866,000	27,282,966	338,695,000	276,365,487	+22.6
C.N.R. net rev. (Nov.) $	6,602,144	5,719,863	78,266,506	60,347,891	+29.6
C.P.R. gross rev. (Nov.) $	23,414,965	20,207,882	232,340,753	200,241,838	+16.0
C.P.R. net rev. (Nov.) $	5,289,425	5,201,227	42,963,380	40,866,786	+5.3
IRON AND STEEL—(November)—					
▪Pig iron production (tons)	170,578	149,783	1,810,633	1,361,873	+32.9
▪Steel production (tons)	270,812	247,931	2,851,527	2,456,468	+16.0
CONSTRUCTION—					
Contracts awarded (Nov.) $	22,085,000	22,889,500	271,985,200	374,881,400	—27.5
Building permits (Nov.) $	7,624,195	11,729,291	97,257,153	114,008,464	—14.7
Cement prod., bbls. (Oct.)	1,146,307	1,042,685	8,190,634	7,334,025	+11.8
AGRICULTURE—					
▪Flour prod., bbls. (Nov.)	1,973,401	1,664,803	18,697,561	18,894,266	—1.0
Cattle sales• (Nov.)	150,685	131,067	1,063,884	1,123,504	—5.3
Hog sales• (Nov.)	612,310	686,686	5,505,879	5,420,030	+1.5
SEA FISHERIES—‡					
Catch, cwts. (Sept.)	1,442,100	1,343,500	8,395,100	8,501,200	—1.2
Landed value (Sept.) $	6,557,900	3,156,000	25,834,100	20,762,500	+24.4
NEWSPRINT—					
Production, tons (Nov.)	251,147	300,308	2,982,911	3,125,042	—6.1
Exports, tons (Oct.)	277,925	285,893	2,541,104	2,652,623	—4.2
MINING AND OILS—					
Coal prod., tons (Oct.)	1,588,595	1,603,605	15,465,837	14,563,021	+6.2
Gold rec., fine oz. (Oct.)	380,144	443,884	3,928,015	4,264,487	—7.9
Petroleum prod., brl. (Oct.)	859,895	871,491	8,665,941	8,370,963	+3.5
ELECTRIC POWER OUTPUT—(November)—					
▪Total monthly, 1,000 kw.h.'s	3,180,153	3,185,982	33,860,710	30,224,560	+12.0
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. (Oct.)	2,992,325	3,141,512	27,684,545	26,975,064	+2.5
Cotton consump., lb. (Nov.)	16,064,484	16,647,670	179,903,851	182,238,790	—1.2
Cigarette cons., No.† (Oct.)	1,010,451	844,203	8,232,279	7,107,724	+15.8
FINANCE—					
Bank debits† (Nov.) $	[illegible]	3,426,900	41,331,661	35,356,411	+16.9
Bond sales† (Nov.) $	1,062,486	94,922	4,175,291	2,287,706	+84.1
Life insurance sales (Nov.) $	52,042,000	44,884,000	489,348,000	381,743,000	+28.2

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
•Total at yards and plants. †000 omitted •Millions of dollars.
‡Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

NOW is the time

Ask yourself if you are giving Canada's rural market enough attention . . . Naturally, we do not know what your sales plans are, but we DO know that an advertising campaign to rural Canada is the best means of winning thousands of new customers. The time to start is NOW! The place is in the Family Herald and Weekly Star—the National magazine that guides thinking and buying in more than 300,000 Canadian rural homes.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

Announcement

on January 2, 1943

Acme Machines & Tools, Limited
(SUBSIDIARY OF CANADIAN ACME SCREW & GEAR, LIMITED)
WITH General Offices at 207 WESTON ROAD, SOUTH, TORONTO
WERE APPOINTED SALES and SERVICE REPRESENTATIVES
of The National Acme Company
OF CLEVELAND, OHIO, U.S.A.
FOR THE PROVINCES OF ONTARIO and QUEBEC

LINES WILL INCLUDE

MACHINERY
ACME-GRIDLEY Multiple Spindle Bar and Chucking Automatics
ACME-GRIDLEY Single Spindle Turret Lathes
NAMCO Positive Centrifuges for coolant and oil reconditioning
ACME Pedestal Tool & Carbide Tool Grinders

TOOLS
NAMCO Self-Opening Die Heads
NAMCO Collapsible Threading Taps
NAMCO Automatic Hollow Milling Heads
NAMCO Surface Grinders for Tools and Chasers

ELECTRICAL
Chronologs for production time control
Snap-Lock Limit and Control Station Switches
NAMCO "Stellite"-Weld Solenoids

SERVICE PERSONNEL
Acme Machines & Tools Limited is an organization comprised of men trained and experienced in both technical and practical APPLICATION AND SERVICING of these products in plants throughout Canada. We respectfully solicit your further inquiries and pledge you 100% cooperation.

TELEPHONE, WIRE OR WRITE

ACME MACHINES & TOOLS LIMITED
207 WESTON ROAD SOUTH, TORONTO

Bank Returns Reflect Loan

Public Deposits Show Decline of $285 Millions

Public deposits in chartered banks at Nov. 30 were down $285 millions from the end of October, although still $212 millions higher than at Nov. 30, 1941. The decline during the month—$206 millions in demand deposits and $79 in savings deposits — reflected the financing of Canada's Third Victory Loan.

Figures from the return of the chartered banks to the Minister of Finance as at Nov. 30 with comparisons are shown in the table below.

The reduction in total public deposits is slightly larger than the $241 millions decline in the Second Victory Loan last March, but not so great as in the first Victory Loan of June, 1941, when public deposits dropped $349 millions. Reason for the smaller decline in deposits in the second and third Victory Loans, as compared with the first is that the amounts sold on the payroll deduction plan were larger.

While savings deposits are lower in both the monthly and yearly comparisons, demand deposits, in spite of the drop in November, are still $222 millions higher than a year ago.

Money Re-deposited

As public deposits fell, due to Victory Loans, Dominion Government deposits rose, there being a transfer of funds from the accounts of private investors to the account of the Dominion. It is understood the government usually redeposits the money received from private bank accounts in the same institutions so that the total deposits of an individual bank show little change.

Current Loans Higher

A rise in current loans was due chiefly to borrowing by investors to buy Victory bonds. Borrowers included not only individuals, but institutions like the insurance companies, which borrowed against future income to buy bonds. Wheat loans on western grain delivered to the elevators were another factor tending to bring about an increase in the demand for credit.

Call loans were slightly higher than in the previous month because of a greater activity on the stock exchanges. Provincial loans were up for the month, but down substantially for the year. Municipal loans were lower.

Use of Bank Credits
(In Millions of Dollars

	November 1942	October 1942	Change	November 1941	Change
Loans	1,264.7	1,102.4	+162.3	1,253.8	+10.9
Investments	2,303.9	2,378.9	—75.0	1,689.6	+614.3
Total	3,568.6	3,481.3	+87.3	2,943.4	+625.2
Deposits	3,031.9	3,317.8	—285.9	2,819.4	+212.5
Credit index*	39.3%	31.1%	41.3%	41.3%	......

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS
Immediately Available Liquid Assets

	November 1942 $	October 1942 $	Change $	November 1941 $	Change $
Canadian coin	6,178,430	6,177,084	+1,346	6,465,853	—287,423
Bk. of Can. notes	115,572,932	101,913,903	+13,659,029	88,406,759	+27,166,173
Bk. of Can. depos.	273,189,818	304,627,039	—31,437,221	247,104,634	+26,085,184
Bank's cash	394,941,180	412,718,026	—17,776,846	341,977,246	+52,963,934
Other banks notes	1,834,520	2,186,313	—351,793	2,754,936	—920,416
Gold, sub. coin abd.	2,770,169	2,642,699	+127,470	2,968,184	—198,015
Foreign banks	197,533,785	196,692,432	+841,353	188,338,084	+9,195,701
Foreign currency	44,991,312	44,037,199	+954,113	33,612,381	+11,378,930
Gov. sec. sht. term	1,278,358,818	1,426,819,832	—148,461,014	750,762,865	+527,595,953
Do., long term	741,236,474	670,020,940	+71,215,534	697,787,472	+43,449,002
Call loans abroad	59,906,929	58,495,971	+1,410,958	42,399,307	+17,507,622
	2,721,573,187	2,813,613,412	—92,040,225	2,060,600,475	+660,972,712
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	70,702,884	73,022,804	—2,319,920	79,875,327	—9,172,443
Public secs.‡	129,910,619	123,513,695	+6,396,924	70,829,544	+59,081,075
Other secs.	83,705,446	85,558,797	—1,853,351	90,388,615	—6,683,169
Can. call loans	28,621,611	24,681,234	+3,940,377	35,613,333	—6,991,772
Current loans	1,164,472,687	1,007,598,156	+156,874,531	1,128,629,395	+35,843,292
Loans abroad	109,577,495	112,975,750	—3,398,255	127,762,390	—18,184,895
Prov. loans	5,474,313	4,000,092	+1,474,221	14,219,233	—8,744,920
Mun. loans	66,153,201	66,170,420	—17,219	75,384,511	—9,231,310
	1,658,618,256	1,497,520,948	+161,097,308	1,622,702,398	+35,915,858
Other Assets					
Non-current loans	3,395,884	3,954,435	—558,551	4,841,197	—1,445,313
Real estate	5,505,563	5,590,478	—84,915	6,576,034	—1,070,471
Mortgages	3,352,743	3,383,814	—31,071	3,406,350	—53,607
Premises	67,796,200	68,575,387	—779,187	69,300,024	—1,503,824
Letters of credit	111,128,819	109,129,530	+1,999,289	121,427,206	—10,298,387
Loans to comp.	11,169,982	10,805,746	+364,236	11,122,340	+47,642
Other assets	2,140,052	2,106,558	+33,494	1,886,897	+253,155
	204,489,243	203,545,948	+943,295	218,560,048	—14,070,805
Total	4,584,680,686	4,514,680,308	+70,000,378	3,901,862,921	+682,817,705
Note circ. dep.	4,024,805	4,022,204	+2,601	4,488,322	—463,517
Int. bank bal.	186,308,046	171,048,902	+15,259,144	154,757,268	+31,550,778
Gross	4,775,013,537	4,689,751,414	+85,262,123	4,061,108,511	+713,905,026
LIABILITIES					
To the Public					
Circulation	65,497,026	70,067,807	—4,570,781	79,200,600	—13,703,574
Dom. Govt.	576,552,581	184,996,608	+391,555,973	160,920,801	+415,631,780
Prov. Govt.	71,417,338	101,101,643	—29,684,305	60,757,746	+10,659,592
Deposits by Public					
Demand dep.	1,402,415,543	1,609,058,654	—206,643,111	1,180,230,578	+222,184,965
Savings dep.	1,629,494,616	1,708,732,999	—79,238,383	1,639,201,355	—9,706,739
Total	3,031,910,159	3,317,791,653	—285,881,494	2,819,431,933	+212,478,226
Foreign dep.	538,376,387	528,345,413	+10,030,974	453,688,616	+84,687,771
Due to Banks Abroad, Etc.					
Bills payable	....	....	....	6,606	—6,606
United Kingdom	28,001,154	28,305,541	—304,387	18,264,063	+9,737,091
Foreign	35,488,367	33,415,136	+2,073,231	30,184,479	+5,303,888
Letters of credit	111,128,819	109,129,530	+1,999,289	121,427,206	—10,298,387
Other liabs.	5,470,807	5,163,412	+307,395	7,305,703	—1,834,896
Total pub. liabs.	4,463,842,638	4,378,316,743	+85,525,895	3,751,187,753	+712,654,885
Due bet. banks	12,836,888	15,070,886	—2,233,998	11,550,328	+1,286,560
Liability to Shareholders					
Dividends	1,831,372	2,192,781	—361,409	2,280,865	—449,493
Reserve	136,750,000	134,750,000	+2,000,000	134,750,000	+2,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,760,760,898	4,675,830,410	+84,930,488	4,045,268,946	+715,491,952

‡Other than Canadian.

The Wawanēsa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets - $3,310,837.04
Surplus - - - - 1,735,148.47
— Write for Financial Statement —
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"Farming Holds the Key"
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FIDELITY
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of Canada
TORONTO

That Extra Something!

...You can spot it every time

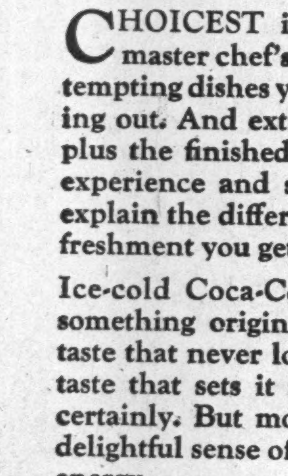
CHOICEST ingredients plus a master chef's touch go into those tempting dishes you enjoy when dining out. And extra-fine ingredients plus the finished art of 57 years' experience and skill . . . these explain the different kind of refreshment you get in Coca-Cola.

Ice-cold Coca-Cola offers you something original in taste . . . taste that never loses its appeal . . . taste that sets it apart. It quenches thirst, certainly. But more than that, it brings a delightful sense of refreshment that means energy.

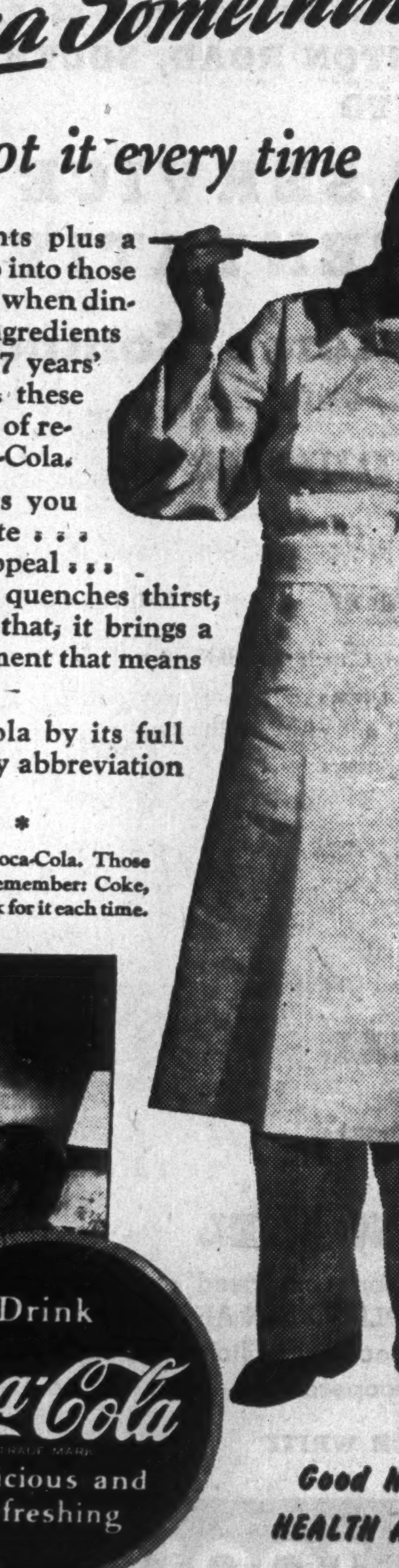
Call for ice-cold Coca-Cola by its full name . . . or by its friendly abbreviation . . . Coke.

* * *

Wartime limits the supply of Coca-Cola. Those times when you cannot get it, remember: Coke, being first choice, sells out first. Ask for it each time.



After the day's tasks, it's pleasant to relax with light reading and ice-cold Coca-Cola. With wartime restrictions, thoughtful wives plan ahead to have a few bottles of Coke handy in the refrigerator.



Drink Coca-Cola Delicious and Refreshing

Good Nutrition Is HEALTH AMMUNITION

THE COCA-COLA COMPANY OF CANADA, LIMITED

541

The Year Ahead — Fire and Casualty

See More Fire Losses in 1943

Insurance Premiums Reflect Three-year Policies

Chart by The Financial Post

Fire losses in the closing weeks of 1942 were especially heavy, pointing to a continuation of the trend in 1943. Preliminary estimates for the last year place the level at about 40% above the $28 million figure of 1941, which in turn was 23% above 1940. Chart shows the trend of losses over the last few years.

A rising trend in fire losses, with premium income unchanged from 1942 or perhaps a little lower, is expected by the fire insurance companies in Canada in 1943. These expectations are based partly on the experience of the last few months and partly on general conditions having a bearing on the fire insurance business.

Up About 40%

Official figures of 1942 fire losses for the Dominion will not be available for some months yet, but current estimates place them at about 40% higher than in the previous year, and the conditions which have helped to bring about this result continue.

Reasons for the increase include the faster tempo of business, increasing the hazards, greater calls on the energies of executives, reducing the attention given to fire prevention, enlistment of many trained fire fighters for service overseas, and a more careless attitude among householders. Another factor tending to boost the dollar value of fire losses is the higher valuation of buildings due to increased replacement costs.

Premiums generally in 1942 are estimated to be substantially below the $49 millions written in 1941. Some place the 1942 figure at about $40 millions, or around the 1940 level. The comparison with 1941 is not fair because premiums written in 1941 were unusually high. Reason is the large number of industrial and mercantile risks written on a three-year term. Formerly, legislation in most provinces limited stock insurance companies to writing insurance on industrial and mercantile risks for one year only. This restriction was lifted by legislation that became effective Jan. 1, 1941. As the premium rate on a policy written for three years is two and one half times that for one year, many concerns insured for the longer term.

A second condition affecting total premium income is the lower rates being quoted by both tariff and non-tariff companies. This reduction ranged up to 20% on some types of construction in some areas.

Casualty Business Up

Casualty insurance on the whole shows the most cheerful picture, the outlook here being for increased business in various lines, notably general liability and fidelity insurance. Faster pace of business tends to increase the possibility of accident and accordingly owners of industrial plants, stores, and apartment houses, are stated to be showing more interest in insurance protection against any liability to which they might find themselves subject.

The same thing applies as regards fidelity bonds. Difficulty of supervision by executives, increased income taxes and cost of living are all factors tending to increase dishonesty among people in positions of trust. Accordingly the need of protection is greater. Insurance men look for a larger volume of business in both these lines.

Losses due to burglary and robbery, however, are estimated to be tending upward, offsetting to some extent higher premium income.

In inland transportation insurance a much heavier demand for the personal property floater policy is indicated due to favorable rates and comprehensive coverage.

N. Y. Life Opens Canadian Dept.

New York Life Insurance Co. is establishing a Canadian department under the supervision of Fred A. Wade, inspector of agencies, with headquarters at Toronto. The company began business in Canada in 1868 and has branch offices in Montreal, Toronto, Winnipeg and Vancouver. Insurance in force in Canada amounted to $127.6 millions on Dec. 31, 1941. Investments in Canada on the same date were $104.2 millions.

Mr. Wade, a native of Renfrew, Ont., has been agency director of the New York Life's Toronto branch office since 1941.

The new organization will permit closer co-ordination of Canadian business, previously supervised from the United States.

Govt. Deposits Show Increase

Dominion Government deposits with the Bank of Canada are $26 millions higher, according to the weekly statement of the bank as at Dec. 30 with deposits of the chartered banks some $6 millions lower indicating a transfer of government funds from chartered banks to the B. of C. Note circulation was slightly higher.

Miscellaneous assets and liabilities including mainly cheques of other banks not yet cleared and Bank of Canada cheques outstanding, showed a substantial increase. This is due, it is understood, to delays in the mails during the Christmas week which prevented these cheques being cleared as quickly as usual.

	Dec. 30 1942 $	Dec. 23 1942 $
Liabilities:		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	692,843,666	692,641,437
Rest fund	5,585,705	5,585,705
Deposits: Dom.	42,866,509	16,452,701
Banks	246,144,837	252,913,976
Other	22,055,263	27,961,009
Total deposits	311,066,609	297,327,686
All other	38,101,165	14,579,091
Total liabs.	1,052,597,145	1,015,133,919
Assets:		
In Sterling & U.S.	500,907	500,907
Subsid. coin	60,522	67,025
Advances	1,750,000	1,750,000
Investments:		
Dom. gov. sh.	809,376,067	793,137,275
Other Dom. gov.	209,423,382	208,387,319
Total invest.	1,018,799,449	1,001,524,594
Premises	2,231,964	2,225,205
All other assets	29,254,303	9,066,188
Total assets	1,052,597,145	1,015,133,919

Weekly Bank Clearings

	Dec. 31 1942 $	Change Year ago %	Dec. 24 1942 $
Halifax	3,156,455	+19.5	3,657,524
Saint John	2,593,621	+27.8	2,567,897
Sherbrooke	781,582	—20.6	977,321
Quebec	5,373,081	+10.9	6,007,243
Montreal	126,469,527	+14.2	128,739,432
Ottawa	43,539,583	+10.4	53,792,846
Kingston	596,273	—4.5	781,063
Peterborough	707,681	+23.3	965,653
Toronto	150,580,385	+36.0	146,576,940
Hamilton	7,101,772	+21.8	7,399,511
St. Catharines	1,366,947	+5.9	1,549,647
Kitchener	1,115,759	—2.8	1,299,236
Brantford	866,217	—1.4	1,219,917
London	2,389,480	—1.6	3,040,241
Chatham	475,000	—3.0	788,471
Windsor	3,291,108	—22.4	4,057,336
Sarnia	450,215	+21.1	860,575
Sudbury	894,154	—14.2	1,271,963
Moncton	962,233	—0.5	1,140,693
Fort William	1,182,280	+27.1	1,186,464
Winnipeg	42,235,705	+10.6	56,785,634
Brandon	449,240	—48.9	504,272
Regina	4,348,180	+36.4	6,349,708
Moose Jaw	650,124	+19.8	966,144
Saskatoon	1,563,160	+25.1	1,531,400
Prince Albert	510,936	+32.2	608,902
Edmonton	5,572,256	+17.9	8,352,834
Calgary	6,198,999	+11.0	7,697,040
Lethbridge	662,638	+55.4	938,596
Medicine Hat	323,789	+23.8	482,678
N. W'minster	978,550	+40.1	1,122,177
Vancouver	23,228,682	+36.5	30,633,788
Victoria	1,535,755	+10.7	2,195,037

Staff Changes

The Royal Bank of Canada announces the following staff changes:

J. H. STAFFORD, to be manager, Portage & Arlington, Winnipeg.

G. B. ARMOUR, supervisor's department, Vancouver, to be accountant, Douglas St., Victoria, B.C.

J. E. CHERRY, assistant accountant, Beaver Hall, Montreal, to be accountant Queen Mary and Decarie, Montreal.

W. E. KNIGHT, to be accountant, Sarnia, Ont.

J. P. LAWLOR, accountant, Glace Bay, N.S., to be accountant, New Glasgow, N.S.

C. H. MacLELLAN, assistant accountant, Charlottetown, P.E.I., to be accountant, Glace Bay, N.S.

G. H. PECK, accountant, New Glasgow, N.S., to be accountant, Kentville, N.S.

A. M. SMITH, assistant accountant, Saint John, N.B., to be accountant, Fredericton, N.B.

W. A. L. BURCHILL, Erin, Ont., retires on pension.

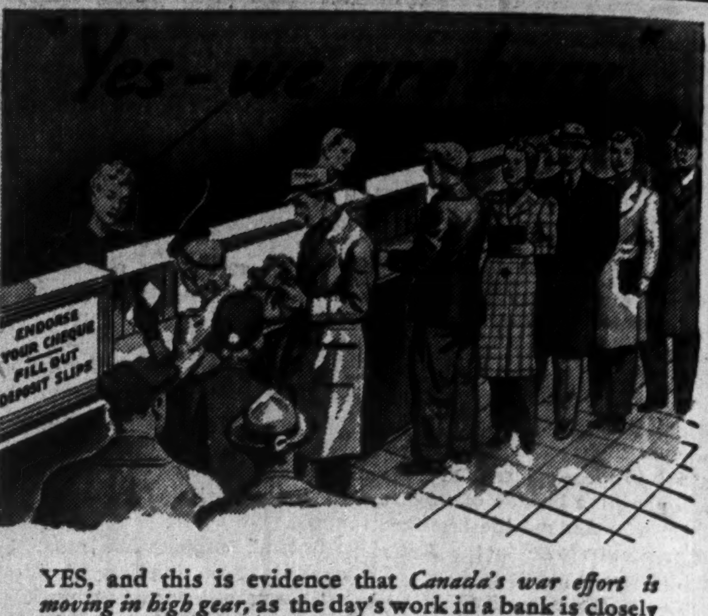
The Canadian Bank of Commerce announces the following staff changes:

R. H. LECK, manager, Summerside, P.E.I., to be manager Fredericton, N.B.

S. D. REID, manager Middleton, N.S., to be manager Springhill, N.S.

W. M. MELLISH, manager Springhill, N.S., to be manager Summerside, P.E.I.

S. G. RILEY, to be manager Stafford & Grosvenor, Winnipeg, Man.



YES, and this is evidence that *Canada's war effort is moving in high gear,* as the day's work in a bank is closely allied with that effort. It means:—

- A large volume of payrolls and pay cheques of the Armed Forces and War Industry.
- Servicing Victory Bond transactions during campaigns and at other times. Regular over-the-counter sales of War Savings Stamps and Certificates.
- Dealing with necessary Government Regulations (Foreign Exchange—Travel—Import and Export of Goods . . .) on behalf of the public.
- And in addition, providing the many banking services necessary to the country's activities.

Many of our trained men are now with the Armed Forces but our staff carries on. Your co-operation by *banking early in the day* will be helpful.

The BANK of NOVA SCOTIA
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MORDEN, HELWIG & FERRIE LIMITED
Insurance Adjusters
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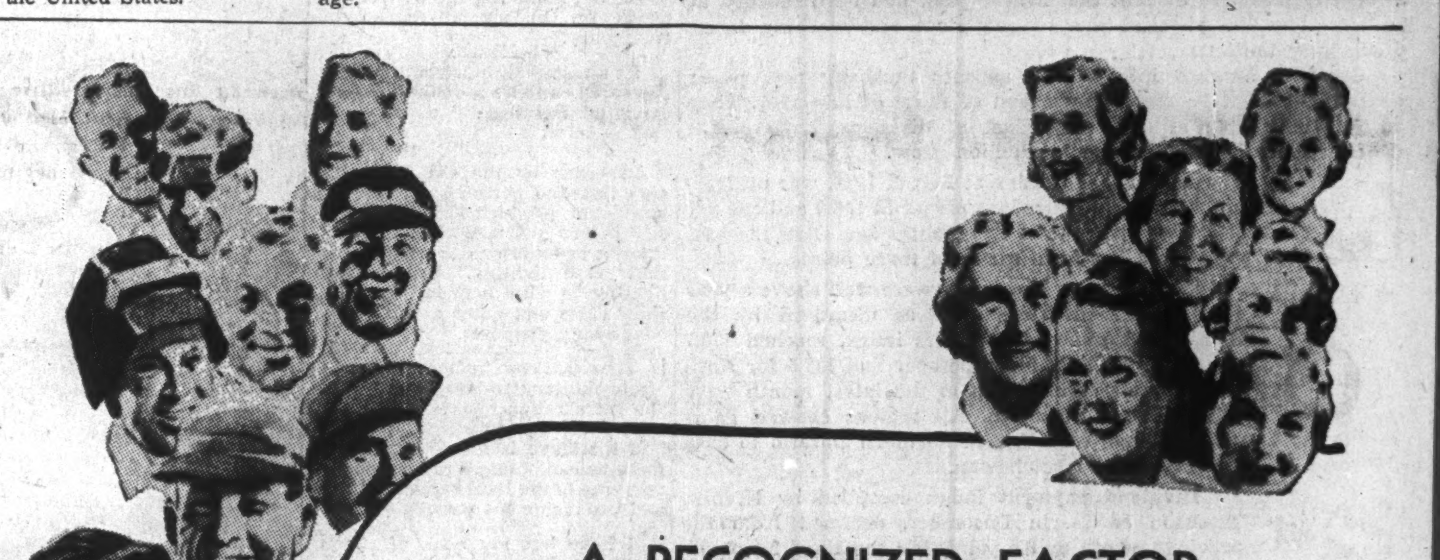
HAMILTON, LONDON, WINDSOR, KITCHENER,
ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

THE ESTABLISHED 1906
MONARCH LIFE
Assurance Company
A PROGRESSIVE CANADIAN COMPANY



A RECOGNIZED FACTOR IN THE MORALE OF CANADA'S WORKING ARMY

Industrial plants that have installed Crane plumbing equipment are finding their investment well repaid in long life and low maintenance cost.

ADEQUATE washroom facilities are a "must" if workers are to stay healthy and happy. Lavatories—closets—urinals—showers—drinking fountains—all are required to meet the needs of the ever-growing manpower and womanpower of Canada's war plants.

Your plumbing contractor or the nearest Crane branch can help your engineering and purchasing staffs to select the right fixtures for essential industrial expansion and replacement . . . will "steer" you, too, on what is available for prompt delivery.

It is understood that these Crane plumbing fixtures are offered in all cases subject to the essentiality of the construction for which they are required.

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THE FINANCIAL POST

Canada's Foremost Business Newspaper

Toronto, January 9, 1943

How Company Earnings Will Show for 1942

Official Estimates of Impact of New Excess Profits Tax Rate Show Most Dividends Still Covered Where Operations Have Been Maintained at 1941 Levels

By ARTHUR D. ELLWOOD

Perhaps more than any other single factor, taxes have been working against a more optimistic attitude on the part of the average investor. Since the war began, he has seen each year bring heavier burdens, both on his personal income and on the incomes of companies in which he is a shareholder.

In an effort to help remove some of the fog surrounding today's tax schedules and their effect on earnings of a representative group of Canadian companies, a number of companies have prepared for The Financial Post an estimate, based on latest available published earnings figures, of what the new tax rates would have meant had they been effective during the year the reported earnings were realized.

Results of this survey are only estimates, it is true, but they are estimates made by company officials who have access to the complete figures and know how to make up tax returns. Due to variations in company year ends, perhaps a straight comparison between companies is not justified on the figures obtained. But for the large group of individual companies covered, the results which follow do give a basis for estimating what current tax schedules mean.

They cannot, of course, make any allowance for later changes in taxable income which would reflect changed operating conditions, greater or smaller volume of output, and so forth. It must also be remembered that current taxes do not apply for the first half of 1942, but became effective only from July 1.

John Bertram & Sons Co. is one of Canada's leading makers of machine tools. As such its operations from the beginning of the war have felt more than the average war impact. At the same time it becomes evident from a study of the figures supplied by this company that some of the expected reduction in earnings resulting from higher taxes can be offset by other factors, such as depreciation allowances for wartime expansion and increased capital investment.

	Latest available actual $	New tax basis for full year $
Profit before taxes	1,725,078.28	1,725,078.28
Provision for taxes	1,340,000.00	*1,425,897.87
Net profit	385,078.28	299,180.41
*Of which refundable portion is estimated at	......	254,972.65
Net profit per common share	$ 6.42	4.98
Taxes per common share	$ 22.33	23.76

Building Products Ltd. has experienced a less direct influence than some of the munitions manufacturers. Its new tax levies will be high and, on the basis of 1941 earnings, would mean a substantial reduction in net profits available for common shareholders. The figures show, however, that the company would still have been able to earn its 1942 dividend of 80 cents a share without allowing for any gain in gross earnings and on the basis of applying new tax rates from July 1 instead of for the full year, 1942.

	Latest available actual $	New tax basis for full year $
Profits before taxes	970,755.23	970,755.23
Provision for taxes	495,000.00	*644,470.30
Net profit	475,755.23	326,285.93
*Of which refundable portion is estimated at	......	85,389.40
Net profit per common share	$ 0.98	$ 0.68
Taxes per common share	$ 1.02	$ 1.33

Canadian Bakeries Ltd., Calgary, has not had any substantial profits available for its common shareholders in recent years and it appears from the calculation supplied that even the small balance of 10 cents a share reported from the year ended Aug. 31, 1942, would be wiped out had last year's earnings been taxed at the new rates. This company has completed paying off arrears on its preferred shares but, on the basis of the figures which follow, would barely earn enough to maintain regular $5 a share preferred payments.

	Latest available actual Aug. 31/42 $	On new tax basis for full year $
Profit before taxes	142,720	142,720
Provision for taxes	77,754	*105,523
Net profit	64,966	37,197
*Of which refundable portion is estimated at	2,251	13,254
Net profit per common share	$ 0.10	$ Nil

Canadian Industries Ltd. policy does not permit complete answers to the questions asked. The company, however, informs The Post that if the 1941 net profit after taxes had been computed on the basis of the tax rates applicable to the year 1942, earnings available for dividend distribution (excluding the refundable portion which, under Foreign Exchange Control Board regulations affecting companies with non-resident shareholders, may not be distributed) would have amounted to $6.20 per share on its common. This would compare with actual net profits reported for 1941 of $7.22 a share. The company paid $5.75 a share in 1942 against $6.25 in 1941.

If the 1941 profit after taxes had been computed on the basis of taxes now in effect for the year 1943, the earnings available for dividend distribution would have been equivalent to $5.06 a share of common stock. This company cautions against drawing conclusions from calculations based on past figures as there are no two years where charges allowed or disallowed against taxable income are comparable.

Consolidated Mining & Smelting Co. of Canada has been working at maximum capacity ever since the war started. Its operations, therefore, reflect the full effect of wartime conditions on a base metal mine. S. G. Blaylock, president and managing director of the company, provides the following comment on current tax schedules:

"It is difficult to make comments on changes in conditions. The worst feature of the new tax is that it puts a very drastic penalty on any company which might be willing to increase its production for the war effort; particularly if it is a company producing a wasting asset. For instance: a new base metal mine is exempt from the excess profits tax while if an operating mine—even though it has just started up—should double or triple its production, the profits from the excess production will most likely all come under the excess profits tax. The management of a company is therefore faced with the problem of having to rob its shareholders to increase its war effort. Surely a company should be allowed to make the same profit per pound of metal, or thousand feet of lumber, on the increases put in as it is allowed to make on its original business.

"I am firmly convinced that increases in production since the excess profits tax came into effect should be granted this privilege, particularly if the government wish to get the maximum amount of production possible. There are many cases of mines which were increasing their capacity in deference to the government's request only to find that before this increased capacity was available any profit that it could make was absorbed in taxes.

"I consider the 20% credit is still taxes because the government has no way to pay back this 20% other than to tax for it later on. In other words, it is a deferred credit but nevertheless a tax. While the same might be stated regarding all war loans, the difference in the double taxation of a company, particularly one earning excess profits, and the second tax on what is left to the shareholders, and the case of an individual, particularly one in the smaller income class, makes these two cases entirely different."

	Latest available actual $	On new tax basis for full year $
Profit before taxes	17,850,000	17,850,000
Provision for taxes	5,650,000	*7,167,000
Net profit	12,200,000	10,683,000
*Of which refundable portion is estimated at	......	466,000
Net profit per common share	$ 3.72	$ 3.26
Taxes per common share	$ 1.72	$ 2.18

Crown Cork & Seal Co. shows how present tax rates would have hit 1941 earnings had they been applied then. The estimates given show that the current $2 a share dividend would still have been covered from profits even had the new rates been in effect for the full year.

	Latest available actual 1941 $	On new tax basis for full year $
Profit before taxes	612,000	612,000
Provision for taxes	289,000	*387,000
Net profit	323,000	225,000
*Of which refundable portion is estimated at	......	30,000
Net profit per common share	$ 3.23	$ 2.25
Taxes per common share	$ 2.89	$ 3.87

Dunlop Tire & Rubber Goods Co. points out that there are still many points to be cleared up so far as application of new tax rates are concerned. It is stated that wide variations might be possible due to obscurities in the tax acts. It is emphasized that changed conditions in the rubber industry would not materially alter the comparative value of the taxation figures. This com-

Continued on page 14, col. 5

New Tax Rate Impact

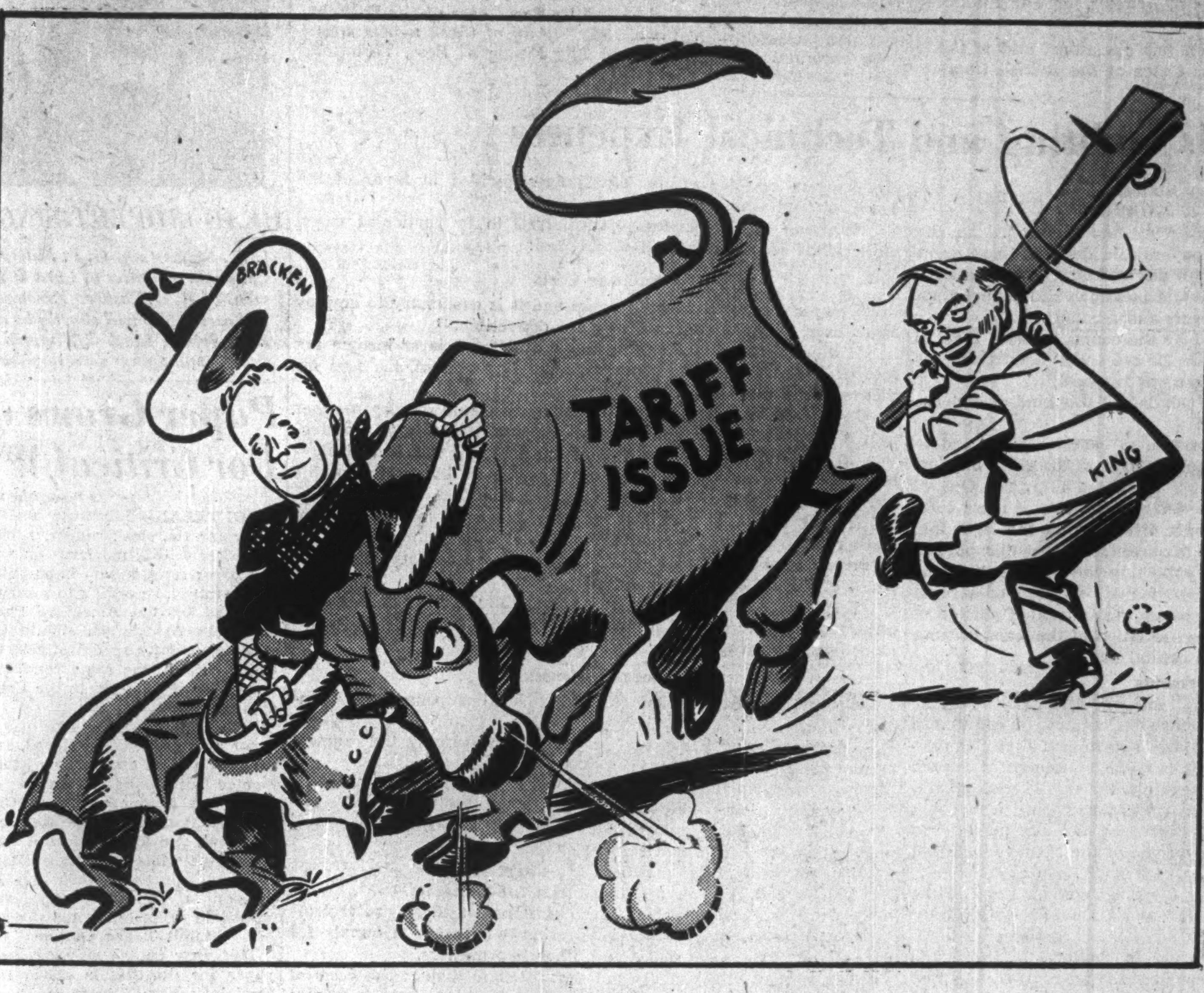
In the following table are shown official estimates of the effect of the revised E. P. T. rates on earnings of 1941. Actual 1941 earnings are shown first—then 1941 earnings as revised to give effect to current tax rates—followed by the dividends paid per share in 1942. Except for companies whose activity may have changed materially in 1942, the figures provide a valuable indicator of what shareholders may expect. Figures for Silverwood Dairies and Montreal Light, Heat & Power shown in second column are official estimates of actual results for the current year. Since the new tax rates only apply from July 1, 1942, and the revised figures shown allow for a full year, 1942 earnings may show more favorably.

Company	Actual Share Earnings 1941 $	Revised Share Earnings 1941 $	Dividends Paid 1942 $
John Bertram & Sons	6.42	4.98	0.40
Building Products	0.98	0.68	0.80
Cons. Smelters	3.72	3.26	2.50
Crown Cork	3.23	2.25	2.00
Dunlop Tire	2.52	1.54	0.50
Silverwood	0.66	*0.55	0.60
Montreal Power	1.71	*1.66	1.50
Zellers	2.62	2.36	1.00

*Estimated current year figures.

The Coming Struggle on Tariffs

Both Bracken and King Must Face This Thorny Issue



"Mr. King may be counted upon to exploit the possibility of disruption among the Conservatives on the tariff issue to the limit."

Tariffs will inevitably become a major postwar issue in all countries, says Hutchison, because freer trade is part of what we are fighting for. Tariffs have always been the main dividing line in Canadian politics, and are still shrewd politics. Although there is now no high-tariff party in Canada, Hutchison indicates that the Liberals may raise the low-tariff issue as an attempt to divide the Progressive Conservatives.

By BRUCE HUTCHISON

Now that the shouting has died and the captains and the kings have departed, what has the historic convention of the Progressive Conservative Party left behind? Not, I suspect, what most of its delegates imagine, perhaps the very opposite. The true meaning of the convention, the new party leadership and new platform, is that all basic differences between the Conservative and Liberal Parties has been wiped out. That is to say, for the time being. The story is only beginning now.

For a long time, of course, Canadians have suspected that a line of principle no thicker than tissue paper separated the two older parties, but most Canadians did not expect the Winnipeg convention to remove that line altogether. This the convention did, almost casually.

The result was accomplished by two measures. First, a progressive and a liberal (in the historic sense) was chosen as leader of the party and he brought his own party name with him; concerning which it may be said that Mr. Bracken's feat in absorbing the Conservative Party is equivalent to Jonah swallowing the whale. Second, a party platform with which no Liberal Party leader could possibly quarrel was adopted at Winnipeg; the only basic issue between the two old parties, the issue of the tariff, was cancelled out; both Progressive Conservative and Liberal Parties were left by the Winnipeg convention as low-tariff, and progressive parties with no recognizable difference between their stated ideals.

At the same time the Progressive Conservative Party went further to the Left than the Liberal Party has yet done by formal declaration—further in the direction of social reform. But we can depend upon Mr. King to go at least as far as Winnipeg and probably farther, before the next election. We may well be entering a kind of auction sale of social security, without much thought about the methods of paying the bill. Anyway, there will be no basic difference between the two old parties in their drive toward a better life for the ordinary Canadian.

Coldwell Alarmed

At the same time a disturbance may be noted on the true Left. Mr. Coldwell obviously is alarmed. He writes to this paper to say that I have misrepresented him in considering him a real Socialist: that he only proposes to socialize great monopolies and industries which the state cannot afford to leave in private hands; and that he does not propose that the state shall run everything.

With this mere left-wing Liberalism millions of Canadians and this writer will not quarrel. But it is not Socialism, it is not the doctrine which many of Mr. Coldwell's local leaders are preaching throughout the country, and it probably represents only the first stage in the process which the C.C.F. would attempt if it were swept into office tomorrow. Having embarked on half-hearted Socialism, the C.C.F. would soon dry up and terrify private initiative so much that it would inevitably shrink, forcing the state further and further into the control of everything.

It is of this, I imagine, that Mr. Coldwell himself is now afraid. It is from the Marxian line followed by many of his friends that he seeks to divert the C.C.F. And doubtless he hopes that if his party continues to grow at its present astounding rate it will acquire enough moderate support to restrain the true revolutionaries who are using it now as the only practical means of expression.

But this apparent pause in political conflict, this seeming agreement between the two old parties and the moderation of their common enemy is not likely to last long. Winnipeg did indeed remove the basic differences in policies between the old parties but, all unconsciously, sowed the seeds of other battles.

Before they are considered it is proper to say that the Winnipeg convention was one of the finest gatherings of Canadians in our history, democratic to the core and a spectacle to renew one's faith in the democratic method. Also, it chose a fine and able Canadian as its leader. But, pursuing the very democratic process which operated in the convention, we are bound to examine the new prospects of our political parties realistically, since we cannot escape their fate.

Tariff Issue

The issue planted in the very vitals of the Progressive Conservative Party at Winnipeg was a very old issue. It was the issue of the tariff.

For a long time the tariff was the very core of our Canadian politics, the ark of the covenant. Through the years it had become almost mystical in its effects on the ordinary mind, something very close to God. On the night before their wedding, young women were told about the tariff by their mothers, in faltering tones. For the tariff many men laid down their political lives.

It took us a long time to realize that, after all the sham battles of elections, no one ever did anything much about the tariff, that it varied only by a few points, no matter who was elected. Presently Canadians began to think that the tariff no longer mattered, that there was no issue in it and no need to worry about it. Then suddenly, in this war, we have learned that our young men must lay down their physical lives because of the world-wide misuse of the tariff tool, because of the strangulation of trade, the self-containment of nations, and the resulting regimentation of business and life.

Let there be no mistake about this. The tariff represents the basic issue of our times and it will have to be faced as soon as the war is over. For if we cannot reduce the tariff and make goods flow through the world, if we cannot reduce the other barriers to trade which are part of the tariff principle, then there will be no hope of restoring private business and there will be no hope of maintaining peace. Only with trade moving, with competition functioning, with the natural division of labor operating, can private business hope to escape that total regulation which all states must adopt when they attempt to live unto themselves.

Postwar Struggle

That means a tariff issue in every country and nowhere more vital or more controversial than in Canada, a great exporting country. In Canada the tariff issue could be held down, blunted and made to appear insignificant during the 20 years when all nations were busy commiting suicide; it can be disregarded during the war when trade must be managed by governments purely as a military operation: It cannot be avoided on the day peace begins.

Therefore, Mr. Bracken comes upon the stage at a critical time and at once, in his first speech, he shows that he knows the issue before him. His speech is a fierce attack on high tariffs, on the whole policy by which his newly-adopted party has always lived, on the brick-for-brick policy of Mr. Meighen, who sits a few yards from him, on the Bennett tariffs. Indeed, there is no word in his speech which Mr. King would not be proud to utter, and there is more old-fashioned liberalism in it than we have ever seen in the actual policies of the Liberal Government.

The great question of practical politics left by the convention is whether Mr. Bracken can carry his party with him. He has its satisfactory declaration of policy in favor of the Atlantic Charter. He has the name "Progressive" and, most important, he has his authority as leader and his life-long devotion to low-tariff, free-trading ideals. It is obvious that a vast conversion on the tariff issue has taken place among the Conservative rank-and-file, but it is not clear whether that conversion has covered many of the old guard within the party, the hierarchy which almost ruined it, and from which Mr. Bracken must try to rescue it.

We shall soon see Mr. King put this question to the test and then will begin a new era in our politics, a real issue in our national life.

Mr. King may be expected to move fast to drive a wedge straight through the Progressive Conservative Party. He will do this, one ventures to predict, not by any more declarations of policy, for they impress no one very much. He will move rather by direct action on tariff. He will introduce a new and low-tariff policy into Parliament and force the Progressive Conservative Party to vote on it.

The first signs of this move already are apparent. Mr. King's exchange of notes with Mr. Roosevelt, their joint resolve to develop trade between their two countries, the whole wartime meshing of the Canadian and American economies, show that Mr. King will stand for a lowering of tariff walls. And even if he cannot get at once a concurrent reduction of American tariffs he may well lead the way, and set an example for the whole world, by lowering the Canadian tariff, in the belief that other nations will follow.

Once Mr. King brings a new tariff bill into Parliament Mr. Bracken will know whether he is in the right party. He must support lower tariffs, and, being a man of solid integrity, will do it, regardless of consequences. But when it comes to an actual reduction in a specific duty on a locally-made article, instead of a mere general declaration, will Mr. Bracken's supporters in Parliament from protected districts support him? Will men who have always stood for high protection vote against it when their own local communities will suffer from it, at least temporarily? Can Mr. Bracken hold the protectionist seats of Ontario? If not, the Winnipeg convention may be found, in retrospect, to have sowed not only the seeds of battle but the seeds of destruction for the Conservative Party.

Mr. King may be counted upon to exploit the possibility of disruption among the Conservatives to the limit. He has always wanted a low tariff for reasons of principle. Now he wants it for reasons of survival, which is a fairly strong instinct in him. In fact, the Winnipeg convention, the choice of low-tariff Mr. Bracken, the conversion of the Conservative Party to larger world trade may have as one of its first effects the practical conversion of Mr. King to the real liberalism, in its classic sense, to which Mr. King has always been devoted in theory.

Mr. King can hardly avoid tariff reform now, whether he wants it or not. He has no other issue. He has no other chance of breaking his enemy. Since the Gallup Poll shows his support in the country sinking from 55% of the electorate in 1940 to 36% now, and the C.C.F. rising from 8% to 23%, Mr. King knows he is in a jam. As the war and its inconveniences continue his government, like all others, will grow more unpopular.

The tariff is the real chance for recovery. It may not work. The Conservative Party may not split, may stay with Mr. Bracken on low tariffs despite local protests. And Mr. King himself will lose support and must sacrifice seats in protectionist areas. But a tariff reform policy is Mr. King's best bet and, unless something better turns up meanwhile, he may be expected to take it. The first evidences of his strategy should be apparent during the forthcoming session of Parliament.

In all this I see nothing to deny and everything to confirm what I wrote here some weeks ago. I ventured to say then that if the C.C.F. continued to gain in strength and continued to represent an idea entirely different from the basic policies of the other two parties, then in the end it must become the true opposition and the other parties must join to oppose it. This process might not occur in one election or in one parliamentary term. It might stretch over a period of some years. But in the end it could not be avoided, except at the expense of political confusion, the break-down of our two-party parliamentary system and the weakening of government, through government by a minority.

Two developments confirm this trend. First, the two old parties, on paper at least, have sunk their differences and, even though they may clash eventually over the tariff, even though they may maul each other on the tariff issue and even break each other apart on this issue, still they will both stand for the basic theory of private enterprise and for the same kind of social reform, short of Socialism.

"Could Exchange Leaders"

Second, the C.C.F., according to the Gallup Poll, is gathering strength much more rapidly than even Mr. Coldwell could have hoped, and just before the Winnipeg convention had almost the same strength in the country as the Conservative Party. While the Conservative Party doubtless will gain now, with a strong leader and the elan which came out of Winnipeg, it will gain mostly at the expense of the Liberal Party. There is no reason why the Winnipeg platform and Mr. Bracken's leadership should permanently damage the C.C.F. On the contrary, the C.C.F. has been handed a perfect argument, for it can now say, quite truthfully, that there is no difference between the two old parties, which are so alike that they can exchange leaders, a low-tariff liberal having taken charge of the high-tariff party.

In fact, if the Gallup Poll is even approximately accurate, and if the present trends in the electorate are not quickly arrested, no party is likely to have a majority of votes in the next election, which would be bad enough, and no party may have a majority in the next House of Commons, which would be much worse. If that happened, the union of Liberals and Conservatives would occur almost automatically.

But such short-term calculations are unsafe because some new issue may be injected into our politics, some issue quite unforeseen now, which would swamp all others and bring about a totally new alignment of public thought.

Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

To answer the questions involved in today's complicated tax setup, Molyneux L. Gordon, K.C., Toronto, has written this new and authoritative series of articles for The Financial Post.

Mr. Gordon has specialized on tax questions, and is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939 with one supplement 1937-39 and another to appear next April. Mr. Gordon is also the author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942." Any of these works may be obtained on application to The Financial Post, Toronto.

Legal, Auditing and Technical Expenses

Article Number Sixteen
By MOLYNEUX L. GORDON

Legal fees and auditing expenses are not mentioned in the Canadian Income Tax Act. Most taxpayers consider that these items are just one of the things you have to pay to carry on a successful business and that in all cases they should be allowed to deduct from their profits the amount paid to lawyers and accountants.

The question has been discussed by the courts in more than 78 cases—within the last five years. In 22 cases the deduction was allowed and in 56 cases the deduction was refused.

The question as to whether you can deduct this kind of expense depends on very fine distinctions.

In Australia [1] a landlord took action to cancel a lease and to recover back rent. The landlord won the case at the trial, but lost it in the Privy Council, and the costs amounted to £2,299. One of the successful litigants then tried to deduct his share of these costs from his income. The Australian court directed that the legal fees should be divided and permitted the taxpayer to deduct that portion of the costs which was incurred in collecting the back rent on the ground that these costs were incurred for the purpose of earning income, but refused to allow the taxpayer to deduct that portion of the costs covering his claim for the cancellation of the lease because they considered this claim was of a capital nature.

Capital Payments

In nearly all income tax matters, you will first have to decide whether or not the payment was made on account of capital. In considering this question the courts have determined that any payment of a capital nature is one which is made on account of capital. If this question is answered in the negative, the taxpayer must also be prepared to show that the payment was an expense which was wholly, exclusively and necessarily incurred for the purpose of earning the income, and this means income of the taxpayer and not the income of someone else.

These words follow very closely the language contained in the English Acts of 1806, [2] 1842 [3] and 1918 [4] and a few expressions have caused more litigation.

The first case on the subject arose in England in 1894,[5] and was covered by the provisions of the English Act of 1842. [3] In that case a company raised money on debentures and it was held that legal fees and brokerage commission were non-deductible. This is another case where general words in early acts have been applied to conditions which were not contemplated at the time the legislation was introduced.

The next important case was decided by the House of Lords in 1906. [6] In that case, a guest who was visiting an inn was injured by the fall of a chimney and recovered damages and costs from the proprietor. The court held that the loss fell on the taxpayer in his capacity as a land-owner and not in his capacity as an inn-keeper, and refused to allow the deduction.

Cost Of Protection

Many expenses which are incurred for the purpose of protecting a capital asset may be deducted, such as repairs, insurance, taxes. It is, therefore, curious that a different rule should be applied in regard to legal expenses.

The Supreme Court of Canada have decided that [7] the Dominion Natural Gas Co. was not entitled to deduct the cost of defending an action which attacked its franchises. Similar decisions have been made in India, Australia, New Zealand and South Africa. It is interesting to note that this case was not followed in England [8] and has since been distinguished in Canada.[9]

The Supreme Court of Canada has also held that [10] the expenses incurred by the Montreal Heat, Light and Power Co., in refunding a bond issue at a lower rate of interest, which resulted in a considerable saving of expenses and consequent increase in taxable profits, were non-deductible. Two judges decided in favor of the deduction and four against it.

Applying the principles just referred to to particular cases, some points seem fairly well established:

Auditing Costs

Every company must keep books and it is customary to employ an auditor, and the auditor's fees are deductible. [11]

If the auditor, in the course of his duties, prepares income tax returns and discusses the same with the Department, his fees for this work are also deductible.

If, after your accounts are audited, you should employ another firm to re-examine the same for the purpose of obtaining a reduction in tax, the fees of the second auditors are not deductible [12] because they were not incurred for the purpose of earning profits but for the purpose of obtaining a reduction in tax.

If you desire to purchase another business and employ an auditor to go over the accounts, the fees of this auditor would not be deductible because they would be considered as part of the expense of taking over the business.

A company which raises money by a public offering of securities cannot deduct the cost of preparing a financial statement to be included in the prospectus.

Legal Expenses

Generally speaking, the following legal expenses are non-deductible:

Examination of title of real property [13] and placing and renewal of mortgages; [14]

Incorporation and organization; [15]

Reorganization—reduction of capital; [16]

Actions against employees for criminal offences, [17] malicious prosecution, [18] libel, [19] and slander; [20]

The following legal expenses are deductible:

Cost of collecting or resisting claim for damages; [21]

Cost of collecting debts [22] or enforcing business contracts; [23]

Cost of appearing before arbitration [24] or other tribunals for purpose of fixing wage scales and other like matters.

The reason why you are not permitted to deduct the costs of defending your employees is due to the fact that any judgment would affect the income of the employee and not the income of the business. This ruling seems to run contrary to general principle because it is quite clear that the reason you are entitled to deduct the cost of pensions is due to the fact that the payment of pensions is supposed to encourage your employees to work. It is difficult to see how you can expect your employees to carry out your orders unless they know you will protect them in case of trouble.

Although generally speaking, you are entitled to deduct the cost of bringing or defending an action for damages, [25] the damages must be connected with the operation of your business. In several cases, the deduction has been forbidden because the damages were too remote. [26] If you are entitled to deduct the cost of bringing or defending an action, the fact that you lost the case is of no importance.[27]

(1) Leventhal v. Commissioner (1934) 2 A.T.D. 453; (2) 46 Geo. III (U.K.) c. 65, Sched. (D) Rules applying to Cases 1 and 2, Rule 1.; (3) 5 and 6 Vict. (U.K.) c. 35, Sched. D, Rules applying to Cases 1 and 2, Rule 1.; (4) 8 and 9 Geo. 5 (U.K.) c. 40, Sched. D, Rules Applicable to Cases I and II, Rules 3 (a); (5) Texas Land and Mortgage v. Holtham (1894) 3 T.C. 255; (6) Strong v. Woodifield (1906) A. C. 448; (7) Minister v.. Dominion Natural Gas (1941) S.C.R. 19; (8) Southern v. Borax (1942) 1 K.B. 111; (9) Kellogg Co. v. Minister (1942) Ex. C.R. 33; (10) Montreal Light v. Minister (1942) S.C.R. 89; (11) Allen v. Farquharson Bros. (1932) 17 T.C. 59; (12) Worsley Brewery v. Commissioners (1932) 17 T.C. 349; (13) Income Tax Case No. 251 (1932) 7 S.A.T.C. 47; (14) Small v. Easson (1920) 12 T.C. 351; (15) Moore & Co. v. Hare (1914) 6 T.C. 572; (16) Thomson, Black & Co. v. Inland Revenue (1919) 56 Sc.L.R. 185; (17) In re Amrita Bazar Patrika (1937) 5 I.T.R. 648; (18) Income Tax Case No. 298 (1934) 8 S.A.T.C. 58; (19) Income Tax Case No. 176 (1930) 5 S.A.T.C. 182; (20) Income Tax Case No. 139 (1929) 4 S.A.T.C. 212; (21) Todd v. Commissioners (1913) R. & McG. N.S.W. Ct. of Rev. 6; (22) Reo Motors v. Commissioner (1931) 1 A.T.D. 163; (23) Income Tax Case No. 45 (1925) 2 S.A.T.C. 117; (24) Income Tax Case No. 298 (1934) 8 S.A.T.C. 58; (25) Income Tax Case No. 191 (1931) 5 S.A.T.C. 358; (26) Income Tax Case No. 83 (1927) 3 S.A.T.C. 142; (27) Income Tax Case No. 5 (1923) 1 S.A.T.C. 53.

HEAD ADVERTISING AGENCY

J. W. Spitzer and G. F. Mills have been appointed to continue the Canadian activities of Lord & Thomas of Canada Ltd. on the retirement of A. D. Lasker. Arrangements are now being made whereby full ownership will shortly be assumed by Messrs. Spitzer and Mills. Both joined Lord & Thomas on its inception in 1929 and were managing directors before the new appointments.

Paper Grows as Substitute For Critical War Materials

From Our Own Correspondent

MONTREAL.—Substitute use of paper for tin, steel, copper, rubber and other critical materials may affect paper consumption importantly in the future, according to a survey prepared by the American Paper and Pulp Association. While this statement relates specifically to the United States, the same conditions are expected to apply to the Canadian market.

Each day sees some new use of paper as a substitute material, says the Association, and many of these involve large tonnages. As the new U. S. War Production Board Controlled Materials Plan becomes fully operative, and less and less of these critical materials are made available to manufacturers, tremendous expansion in the use of paper as a substitute will undoubtedly occur.

Limit Paper Output

This view on the growing use of paper for substitution arises from the joint action of the Canadian and American Governments in freezing production at the average level prevailing between April and Sept., 1942.

During the base period American paper mills operated at the average ratio of 87% of capacity while paperboard mills operated at 78%. The actual monthly average in tons produced for the base period as compiled from the production data, would be approximately 1,265,000 tons, building paper excluded. Thus under the terms of the order paper production in the United States would, in the future, be permitted at the maximum annual rate of approximately 15.2 million tons, excluding building paper, and 15.9 millions including the latter.

In 1941 paper production in the States amounted to 17.3 million tons while the estimated production for 1942 amounts to 16.6 million tons. Thus the permitted production under the Conservation Order would be 8.1% under 1941 and 4.2% under 1942.

Ontario Nickel Corp. has notified the Montreal Curb Market that Guardian Trust Co. has been appointed a transfer agent for the company's stock.

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DEPOSITS ACCEPTED
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Deposits and Debentures (31 Dec., 1941), $12,531,188

Your Income Tax

In this weekly column, The Financial Post answers problems of subscribers in connection with their business or personal income tax. In some cases, where official ruling has yet to be made, The Post can only cite informed opinion.

Dividend Dates

I have some dividends from stocks, declared payable Jan. 2 on stock of record Dec. 15. In which year should I include these dividends for income tax, 1942 or 1943?

You should include these dividends with your 1943 income, it is understood. Even though the dividends were earned in 1942, you could not cash the cheque before the date shown. Accordingly they are part of this year's income.

Marries His Bookkeeper

1. I married my bookkeeper in Nov. Before our marriage I paid her salary amounting to $1,000. Some say I should include this with my income for the year for income tax purposes. I don't think so as the salary I paid her before our marriage was no concern of mine. What do you think I should do?

2. My wife, since her marriage, looks after my office and does my bookkeeping with the assistance of a stenographer. Can I, in 1943, pay her a salary as I did before our wedding and have her pay single person's tax while I claim married exemption?

1. While the situation is one that can be clarified only by official ruling, it is believed you would have good ground for not including as part of your income, the salary you paid her before your marriage. You should, however, obtain official opinion from the inspector of income tax in your district or from the Commissioner of Income Tax at Ottawa himself.

2. In this case we understand you would have to include the salary you pay your wife as part of your own income. In these circumstances, it appears there is no separation between the husband's and a wife's income. If the wife was working for somebody else, her salary would be her own income.

Widower With Children

A widower in the employ of my company has two children, one aged eight and one, a daughter, over 21 who has no income of her own and who acts as his housekeeper. He claims he should be allowed exemption for two children. The company claims he should be taxed as a married man with one dependent. What do you think?

He should normally be classed as a married man with one dependent. He would be allowed the status of a married man because he keeps a self-contained domestic establishment in which he maintains one child a dependent relative. He may then deduct $28 from normal tax and $80 from graduated tax on account of the other child.

Prizes as Income

1. If a company offers prizes to members of its staff for suggestions or for various kinds of contests, must the prize-winners report the sums as income.?

2. Does it make any difference if the prize is cash or merchandise?

Prize winners in contests of this kind are expected to include the amount of the prize in their income tax return. The theory is that the winning of the prize entailed some sort of effort on the part of the employee and therefore is really income.

2. It makes no difference whether the prize is paid in merchandise or cash.

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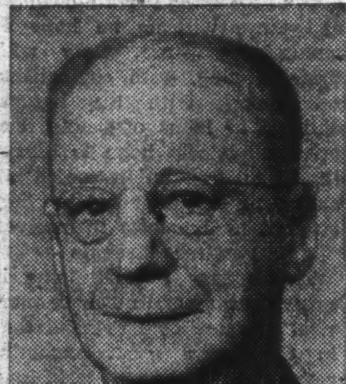

EXPRESS CHIEF

Harry A. Rutley, treasurer of the Canadian Pacific Express Co., who succeeds John Blackhall of Toronto who retires on pension. Mr. Rutley has been connected with the express company since 1906.

Britain Depends On Canadian Pulp

Britain's dependence upon Canada for pulp supplies will increase during 1943. The British Paper Control has reduced pulp requirements from the U. S. for 1943 by 50% as compared with 1942.

Last year the United Kingdom's consumption of new pulp stood at 24% of the pre-war rate, and for 1943 has been squeezed down to about 21% of the pre-war level.

United Kingdom's total consumption of papers, including newsprint, is now only 40% of pre-war consumption.

Newsprint Order Contracts Output

From Our Own Correspondent

MONTREAL.—"Freezing" of production of newsprint paper in Canada and the United States made itself felt during November.

According to returns of the News Print Service Bureau and the Newsprint Association of Canada, Canadian mills produced 251,147 tons during the month, a drop of 20,000 tons from the previous month and some 49,000 tons from Nov., 1941.

Slowing up in production was reflected in shipments. Canadian mills shipped 255,087 tons, indicating a draw-down of some 4,000 tons from stocks.

November sales were 40,000 tons below October and 65,000 tons below Nov., 1941.

Shrinkage in Shipments

Domestic sales at 16,819 tons were 2,700 tons under those of a year ago.

Overseas shipments of 10,532 tons were about one quarter of those in 1942 and fractionally higher than in October.

The principal change came in shipments to the United States, 227,736 tons, as against 268,329 tons in Oct., 1942, and 261,611 tons in Nov., 1941.

Have Same Experience

American mill production totalled 75,065 tons, a drop of 9,200 tons from the previous month and 7,500 tons less than in Nov., 1941.

Shipments from the American mills were slightly in excess of production, but still about 8,000 tons less than a year ago.

Newfoundland's two newsprint mills, still under no restriction as to production, turned out 20,496 tons last month, about average for the year, but over 7,000 tons less than a year ago.

Shipments of Newfoundland newsprint, on the other hand, totalled 27,373 tons, a gain over October but 2,500 tons under Nov., 1941.

Canada's Pulp Exports Quadruple in 1942

As a result of the withdrawal of Scandinavian competition, and sharply increased consumption in the United States, Canada's pulp exports for the first seven months of 1942 were four times as high as in the same period for 1941, according to a report of the U. S. Dept. of Commerce.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

WANTED:
A Top-Flight Executive
Whether you appoint a new executive as your Vice-President in charge of post-war planning or you take that desk yourself, the job still must be done.
The issue clearly before you is that the time to begin post-war planning is now. Don't delay until the end of the war is actually in sight. Why?—Because, when victory comes, it will be sudden, just as it was in 1918.
Such forethought need in no way interfere with the present all-out effort to win the war. Even in Britain, goaded by necessity to the greatest immediate industrial effort in her history, the problems of tomorrow have become a major issue.
Among the many problems facing the executive in charge of post-war planning is that of sustaining goodwill so that the peacetime product shall be not overlooked in the public's rush of demand for other commodities.
The market-place of tomorrow will not treat all organizations alike. Some will enter it with enhanced reputations; others will find it difficult to obtain or regain a foothold.
In the preservation of goodwill, "sustaining" advertising consistently carried on can play a major part. How this can be done is a point we would like to discuss with your "Vice-President in charge of Post-War Planning."
If you are seeking a copy theme, ask to see "The Gallery of Sustaining Advertising," a collection of outstanding advertisements that have appeared in British, Canadian and American periodicals during the past year.
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MONTREAL LONDON, ENG. NEW YORK CHICAGO

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON.—Here in Great Britain, to remind us that there is a war on, the government has prohibited any travelling by members of the Services over the holidays. As for the general public we are told not to travel if humanly possible and, just to assist us in carrying out this plea, the number of trains will be drastically cut down.

But do not imagine that we shall be left alone even if we do not sti- from our firesides. On the contrary the government will be saying: "Is that fire in the grate necessary?" "Turn out that extra light." If by chance you are one of the favored few who are allotted a certain amount of petrol, and if it occurs to you that it might be fun to drive a few miles and look in on Uncle George, the police will be very curious about your movements.

There still remains, of course, the festive turkey provided that you can find a turkey, and there is still beer—so reduced in strength that it is more inclined to produce a state of gloom than jollity. Then there will be plum pudding without plums while nuts and raisins will be among the absentees.

With these slight disadvantages, the Christmas festival of 1942 will be held with a degree of kindliness and good humor inseparable from life in Britain. Even the Minister of Fuel cannot keep the warmth from the human heart. And then of course there are the pantomimes, booked heavily for the Boxing Day performances. Unhappily for the theatres, Boxing Day is on a Saturday, always a good day for attendances. and therefore the Christmas harvest will not be as spread over as if the calendar had selected an earlier day in the week.

* * *

Americanization

There is one aspect of this question which is of broad Empire interest. At the present moment tens of thousands of young men from the Dominions make their way to London for the week-end. We can really show them nothing but American films. The effect of this is that the British are becoming tuned to the American pace, American humor, American psychology and American sentiment. The theatres cannot escape the trend and the British playwright is fast disappearing. Managements not being in the business for their health, vie with each other in the importation of American successes.

The whole question needs cogitating upon.

* * *

Lieutenant Bull

Lieutenant Bartle Bull, M.P., son of Mr. Perkins Bull of Toronto, has just returned from the desert via America. He went out East as a Platoon Commander with the Coldstream Guards and was in Wavell's attack during which he was shot in the chest and lay for five hours before being removed to a dressing station. After recovering he again took part in heavy fighting but, being 40 years of age, his wound told on him and he was sent to America where he spoke to factory workers in the Middle West.

He met with the utmost kindliness everywhere in the U.S.A. but was constantly asked why the British left the brunt of the battle to Dominion troops and what had happened to British morale, all this being before Montgomery's onslaught. His reply to them was that the British were always in the thick of it but invariably gave the credit to the gallant soldiers from the outer Empire. As for morale he said "That's all we had when we attacked under Wavell."

With pardonable regimental pride he told me of an incident last summer when a battalion of Coldstream Guards in Tobruk received an order that they were to surrender to the Germans. The Commanding Officer sent back word: "I have examined the training manual and can find no instructions as to how a battalion of the Guards surrenders." Whereupon they fought their way out although only a remnant got through.

I don't know where this incident stands as far as discipline is concerned but it adds a glorious chapter to the story of the Guards.

* * *

Stokes Sounds Off

A curious feud is developing in Parliament between the Prime Minister and Mr. Richard Stokes, the rich Socialist M.P. for Ipswich. Stokes is an amazing fellow, built like Dumas' Porthos, possessed of a broad smile, an immense voice and a strange combination of idealism, humor and bitterness. He wants to know what happened at Singapore. He wants to know everything. Sometimes he wants to know too much.

Although he has a large factory turning out war materials he attends the House constantly and his interjections are incessant. Recently Mr. Churchill has taken to commenting on the little group of "irresponsible mischief makers" in Parliament who "stop at nothing to injure the prestige of the Government."

The situation came to a head the other day. On the previous day the Prime Minister had made a statement concerning the inadequacies of the Churchill tank which had to be rushed through in 1940 to meet the invasion threat. In his speech he made use of the word "slime" in regard to those who had tried to make mischief out of the misfortunes of necessity.

Mr. Stokes, yesterday, rose to make a formal protest to the Speaker. He claimed that nothing but patriotism and a desire for efficiency actuated his questions and he claimed the protection of the House against what would be regarded as criminal charges outside of Parliament.

Shinwell, Winterton and Hore-Belisha rallied to the support of Stokes but Anthony Eden, as the Leader of the House, stood up to the barrage and did it very well. He is an immense improvement on Cripps who, with all his abilities, never quite caught the atmosphere of Parliament.

Stokes belongs to the family that produced the famous Stokes mortar but his voice is more like heavy artillery. As one of his admirers said with a certain lack of humor: "His voice reverberates throughout the country."

New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

POTATO PRICES. W.P.T.B. order 219, Dec. 15, fixes maximum prices for potatoes in the different areas of Canada. W. P. T. B. chairman, Donald Gordon.

* * *

BUTTER. W.P.T.B. order 220, Dec. 15, provides for coupon rationing of butter, with an allowance of half a pound per week for each person. W.P.T.B. chairman, Donald Gordon.

* * *

BUTTER PRICES. W.P.T.B. order 221, Dec 15, fixes maximum prices for different grades of creamery butter in British Columbia, the Prairie Provinces, Ontario and Quebec, and the Maritimes.

* * *

BANANAS. W. P. T. B. order 218, Dec. 15, fixes maximum prices, retail and wholesale, for bananas sold east of the Manitoba-Ontario boundary. W. P. T. B. chairman, Donald Gordon.

* * *

HOTELS. M. & S. order CC-15, Dec. 16, exempts hotels from the necessity of obtaining a license for maintenance work. Con. of Construction, C. Blake Jackson.

* * *

WOMEN'S AND GIRL'S COATS, SUITS AND SPORTS JACKETS. W.P.T.B. order A-525, Dec. 18, prohibits the manufacture of certain types of garments, including evening wraps, riding jackets and slack suits; simplifies other types of garments; specifies sizes in which some garments may be made. Adm. of Women's and Misses' Coats and Suits, H. Rother.

* * *

RUBBER. M. & S. order Rubber 3, Dec. 17, establishes a Rubber Conservation and Technical Committee with W. R. Watson, Jr., of Toronto, as chairman, and 15 other members. Rubber Con., A. H. Williamson.

* * *

LEATHER FOOTWEAR. W.P.T.B. order A-524, Dec. 18, makes certain amendments in the earlier order designated as A-478. Adm. of Footwear, Louis Daoust.

* * *

CADMIUM PLATING. M. & S. order MC29, Dec. 23, prohibits the use of cadmium for plating a wide range of articles. Metals Con., G. C. Bateman.

* * *

GUMMED KRAFT PAPER TAPE. W.P.T.B. order A-530, Dec. 23, specifies the weight and width in which such tape may be manufactured in future. Tape for certain purposes is exempt. Adm. of Paper Boxes, Envelopes and Packages, C. V. Hodder.

* * *

SOFT DRINKS. W.P.T.B. order A-531, Dec. 23, fixes the retail price of soft drinks at seven cents for a six to 13 ounce bottle, including tax, and not more than 10 cents in a restaurant or soda fountain which charged more than seven cents in the basic price period. Trains, hotels, cabarets or amusement parks may continue to sell at basic period prices, plus such part of the tax as the government allows them to collect. The order also provides that manufacturers, wholesalers or jobbers shall charge retailers a deposit for bottles, and that retailers in turn shall charge consumers a deposit. Foods Adm., J. G. Taggart.

* * *

COTTON DUCK FOR PIPE COVERING. W.P.T.B. order A-532, Dec. 24, provides that no person shall cover any pipe with cotton duck or other cotton fabric similar to duck except in carrying out a contract for the Department of Munitions and Supply. Cotton Adm., J. H. F. Turner.

* * *

TYPEWRITERS. W.P.T.B. order A-534, Dec. 26, amends earlier orders respecting classes of persons to whom new typewriters and the later models of used typewriters can be sold without permit. Co-ordinator of Metals, D. P. Cruikshank.

* * *

U-DRIVE AUTOMOBILES. M. & S. order Transit 3-D, effective Jan. 1. No person shall hire any U-drive or drive-yourself automobile except for business purposes (not including the delivery of goods) or for an "exceptional emergency." Other restrictions are imposed on the rental of such vehicles. Transit Con., George S. Gray.

* * *

LUMBER. M. & S. order T-15, Jan. 2. Purchases of lumber or mill work for repair or construction of any plant shall be limited to $1,000, and for any other building to $200, unless licensed by the controller. Timber Con., A. H. Williamson.

Do Not Attempt To Draw Up Your Own Will

Lest your estate be dissipated by costly contests, consult a capable, experienced attorney about your will. It is neither wise, nor economical to attempt drawing that most important document without competent legal advice.

We will gladly give to you and your attorney any additional information which you may seek in connection with Trust Company administration. A member of our staff is at your disposal should you care to discuss the services of a Trust Company.

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Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

British Columbia

A brief discussion on the attractiveness of British Columbia provincial bonds as an investment would be appreciated.

British Columbia has had a particularly fine record in its wartime financing. Since Nov. 1, 1940, annual interest requirements of the province have been reduced by $1.5 millions. This summer the province sold $15.7 millions of its debentures at the lowest interest rate ever secured by British Columbia in any market.

During the past several years the province has established for itself a good record in substantially improving its debt position which helps to account for the fact that its bonds are selling well over par.

Canadian Canners

What is the 1943 outlook for Canadian Canners Ltd.?

There appears to be a demand for everything that the canning industry can produce. While Canadian Canners' fiscal year will not end until next February it is believed that the volume of business for the year should approximate that of the 1941-42 fiscal year.

The limiting factors in this company's outlook are those of supply of material and labor. Tin shortages have already forced elimination of a number of types of cans and there is no foreseeable improvement in this regard. The canning industry generally at the moment is fearful that the shortage of labor will be increasingly acute by next year and that this may tend to reduce the season's pack. These conditions, of course, have already affected the industry to some extent and the fact that Canadian Canners has been able to maintain its volume despite these difficulties is a reflection of its management.

Canadian Car

Let me have your comments on the position of Canadian Car & Foundry Co.

Canadian Car & Foundry Co. has a huge volume of business on hand; sufficient to maintain operations on a capacity scale for some time. The annual report for Sept. 30, 1942, has not yet made its appearance, but results are expected to be appreciably better than in the 1941 fiscal year when $2.51 a share was earned on the preferred and 58 cents a share on the common.

In Jan., 1941, the company received payment under an award from the German-American Mixed Claims Commission in the United States. The net amount after all charges and taxes was just over $4 millions. An amount of over $8 millions is still due on account of principal and interest, but future payments depend upon modification of the settlement of War Claims Act by the U. S. Congress.

Meanwhile the financial position of the company has improved to a point where active consideration is being given to a plan to clean up the arrears of dividends on the preferred stock. Unofficially it is said that of the $9.56 of arrears, $2.25 a share will be paid in cash. The dividend rate on the preferred will be raised from $1.75 to $2.20 and the call price advanced from $25 to $32 a share. In addition, the preferred shareholders will be given the option to purchase common stock.

C. S. L.

I would like to have a report on Canada Steamship Lines.

Canada Steamship Lines' operations this year have been on a capacity basis. Expectations are that revenue will be of record proportions, while the net profit available on the common stock will exceed that for 1941 when $3.26 a share was earned. The new taxes, of course, apply only to the six months' period.

It is possible that the profits in 1943 will be on a lower basis. However, it is understood that on the base established by Ottawa the company will be able to show appreciable earnings on the common stock. Financially the position has undergone a marked improvement in recent years with a working capital deficit of $2.6 millions in 1935 converted into a surplus of $3.3 millions at the end of 1941.

Funded debt charges have been sharply reduced under the reorganization plan carried out in 1936. Generally speaking, the company's position is now stronger than it has been for many years past.

A National Duty—

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Agency arrangements with Banks throughout Canada.

Believed to be the only Minot de blé in existence, this dry bushel measure was used in Canada during the French regime (before 1759) and is now in the possession of the Château de Ramezay, Montreal.

A Bushel of Trouble for Hitler

CANADIAN and American grain fields, Herr Hitler, have caused you a lot of trouble . . . and they are going to cause you a lot more. Because, from these grain fields of ours comes an all-important weapon of war—high-proof alcohol.

As you well know, Herr Hitler, high-proof alcohol is an essential ingredient in the manufacture of smokeless powder for our shells, bombs, mines, torpedoes. You know too, that high-test alcohol is used to make synthetic rubber for our jeep, truck and aeroplane tires . . . pharmaceuticals to keep our boys well . . . shatterproof glass for our aeroplane windshields . . . and a host of other products our Army, Navy and Air Force are using to cause your destruction.

Over here, Herr Hitler, we have plenty of grain and ample facilities to make almost unlimited quantities of alcohol for war—so don't think there is any shortage when some night our Lancasters with their 8,000-pound "block-busters" fail to appear over Essen, Cologne or Berlin—the only reason will be "impossible flying conditions." And, when your "Tirpitz" gets a mighty broadside from the 14" guns of our battleships, you can credit the alcohol which makes possible the manufacture of our death-dealing shells.

Yes, Herr Hitler, you are really in trouble.

All our distilleries in Canada and the United States are pouring out an endless stream of high-proof alcohol for war. And you can be sure, Herr Hitler, that this stream will never stop until your last gun has been silenced.

THE HOUSE OF SEAGRAM

Every Seagram plant in Canada and the United States is engaged 100% in the production of ALCOHOL FOR WAR

THE WEEK'S QUOTATIONS

Montreal and Toronto — Week ending Monday close

Winnipeg and Vancouver — Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

STOCKS TRADED THIS WEEK

WEEK ENDING JANUARY 4

Range 1942 High	Low	Div. R'te $	Jan. 2 Y'ld %	Company	Sales	Last Dec. 28	Week end. Jan. 4 H	L	Cl'se
				A					
.85	.40		...	Abitibi	400	.80	.70	.65	.65
7	3½		...	Do. pref. 6%	360	5¼	5¼	5¼	5¼
13	11	.80+.20	9	Agnew Surp.	25	11	11	11	11
2½	1		...	Alta. Pac. Gr.	250	1	2½	2	2½
52	21½		...	Do. pref.	165	50½	50	48	50
				W, Y, Z					
50½	40	4	8.3	Walker-Good.	395	48	48½	47¾	48½
21	18½	1	5.2	Do. pref.	180	19	19½	19	19½
1.30	1.00	.05	...	Walkerville Br.	125	1.25	1.25	1.25	1.25
3	1		...	West C. Flour	148	2½	2½	2½	2½
40	18		...	Do. pref.	191	38	40	37	40
2½	1¾	.20	...	West Breweries	800	2⅜	2⅜	2⅜	2⅜
12	9½	.80	6.8	Weston, Geo. c.	100	12	12	11¾	11¾
17¾	14½	1	5.6	Wilsils	65	17¾	17¾	17¾	17¾
3.50	.85		...	Winnipeg El. A	851	3.00	3.00	2.63	3.00
3.25	.60		...	Do. (B)	133	3.00	2.75	2.75	2.75
22	5½		...	Do. pref.	145	20	20	20	20
13	10½	.80	6.2	Zellers, c.	50	12¾	13	13	13

■ Participating. ‡ Paid in 1942. ▲ On arrears.

Mining Stocks

Week Ending January 4

Range 1942 High	Low	Div. Rate $	Jan. 2 Yield %	Company	Sales	Last Dec. 28	Week Ending Jan. 4 High	Low	Close
.04½	.01½	.....	....	Whitewater	6,000	.03	.02½	.02½	.02½
.02½	.01½	.....	....	Wiltsey C.	2,500	.02½	.02	.02	.02
.04	.01	.....	....	Wood Cad.	500	.02	.02½	.02½	.02½
2.90	1.75	.40	15.7	Wright-Har.	6,178	2.50	2.60	2.48	2.60
.09½	.02½	.....	....	Ymir Girl	19,675	.07	.09½	.06	.09

Oil Stocks

Range 1942 High	Low	Div. Rate $	Jan. 2 Yield %	Company	Sales	Last Dec. 28	Week Ending Jan. 4 High	Low	Close
.10½	.05	.....	....	Alta. Pac. C.	2,000	.10	.10½	.10½	.10½
.15	.08	.....	....	Ajax	1,500	.12½	.14	.14	.14
.56	.32	.04	....	Anglo Can.	4,000	.47	.50	.46	.50
.29	.09	.....	....	Br. Dom.	14,400	.21	.21½	.19	.21
1.20	.78	.10	....	Calg. & Ed.	3,224	1.10	1.17	1.12	1.17
.22	.10	.....	....	Calmont	2,948	.22	.20½	.18	.21
.30	.12	.....	....	Dalhousie	1,000	.27	.27½	.27½	.27½
.17½	.07	.01	....	Davies Pete	1,500	.10½	.11	.11	.11
2.70	2.00	.15	....	Home	14,780	2.65	2.80	2.60	2.74
.07	.02	.....	....	Homestead	2,500	.03½	.03	.02½	.03
.01½	.01	.....	....	Madison	14,500	.01½	.01½	.01	.01
.05½	.03½	.....	....	Mercury	3,000	.05½	.05½	.05½	.05½
.09	.05½	.03	....	Mill City	3,500	.09	.09	.09	.09
.40	.20	.02	....	Okalta	3,145	.38	.40	.30	.39
.04½	.02	.....	....	Pacalta	40,000	.04½	.05½	.04½	.05½
.25	.14	.....	....	Pacific Pet.	7,000	.21	.22	.21	.21
22.00	16.00	1.00	4.6	Royalite	215	21.63	22.00	21.50	22.00
.05	.02	.....	....	South End	10,000	.03½	.03½	.03½	.03½

* Yield including bonus. ° Paid in 1942.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Jan. 5	24,500	22,100	452,000	......
Jan. 4	11,100	19,400	428,000	......
Jan. 2	Holiday			
Jan. 1	Holiday			
Dec. 31	5,300	11,600	279,000	44,100
Dec. 30	6,600	9,500	387,000	47,913

STOCKS NOT TRADED THIS WEEK

Oil Stocks

Company	Div. rate $	Last sale	Jan. 4 Bid	Ask
Acme Gas & Oil	...	.06	.05	.06
Amalgamated	.04	.15	.07	.16
Anaconda	...	.03½	.03	..
Brown Oil	...	.05½	.05	.06
Commoil	.02	.16	.16½	.18
Common Pete.	...	.19	.19	.23
East Crest	...	.04	.04	.04½
Federated Pete.	.01½	.32	..	..
Foothills	...	.83	.76	..
Grease Creek	...	.01	.00½	.02
High Sarcee	...	.10	.09	..
Marjon	...	.01½	.01	..
Marvel	...	.04	.02½	.04½
McD. Segur	...	.05	.05	.05½
Model	.03	.21	.17	.20
National Pete.	...	.04½	.04½	..
Nordon	...	.03½	.02½	.03½
Oil Selections	...	.03½	.02½	.04
Petrol Oil & Gas	.04	.25		
Royal Can.	...	.03½	.03½	.04
South West Pete.	...	.15	.10	..
Spooner	...	.03	.05	..
Sunset	.03	.07	.08	.08½
Texas Can.	...	.85	.75	1.00
United Oils	...	.04½	.05	.05½
Vanalta	...	.04½	.04½	..
Vermilata	...	.09½	.09	.09½
Vulcan	...	.20	.20	.25

MUNICIPAL BONDS

Jan. 5, 1943

	%	Due	Bid	Ask	% Yld.
†Halifax	5	1961	113.50	116.50	3.77
Hamilton	5	1950	110.25	113.25	3.00
Montreal	5	1945	94.50	97.50	*
Ottawa	4½	1945	104.00	105.50	2.35
†Quebec	5	1959	109.00	112.00	4.00
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	117.00	120.00	2.55
†Vancouver	5	1970	104.00	107.00	4.55
Winnipeg	5	1944	100.00	103.00	2.54

†Payable Can. & N.Y. *Flat.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Nfld. Pr. & P.	5½%	1970	Jan. 15	105
Stand. Limes▲	6%	1944	Feb. 1	102
Atlantic Sugar*	4%	1951	Mar. 1	102
T. Eaton Rlty.	‡4%	1951	Jan. 29	100
Ritchie C. Stone	6½%	1948	Mar. 1	103

▲$21,500. *$22,000. ‡$260,000.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.13	2.33
Can. Int. Trust	4.25	4.75
Can. Invest. Fund	3.30	3.60
Can. Investors	4.50	...
Corp. Investors	5.25	5.65
Trans-Canada	9.60	10.45

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

January 5, 1943

	Int. Rate %	Due	Bid Jan. 5	Ask.	Bid Dec. 29
Public Utility Issues:					
▲Alg. Cen. H.B.R.	5	'59	20½	22½	20½
†Assoc. Tel. & T.	5½	'55	81	84	80
B. C. Power	4½	'60	100	102	100
B. C. Tel.	4½	'61	105½	107½	105½
†Calgary Pwr.	5	'60	111	113	111
Do.	5	'64	105	107½	105
†Can. Nor. Pwr.	5	'53	101	103	101
*Dom. Gas & El.	6½	'45	108½	110½	108½
Gatineau Pwr.	5	'49	101	103	101
•Do., A	3½	'69	101	103	101
‡Do., B	3½	'69	99	101½	99
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	98½	101½	98½
*Int. Hydro-El.	6	'44	48	51	48
▲Inter. Power	6	'55	100½	..	100½
L. St. Law. Pwr.	5	'55	101	..	101
Macl'n-Que. Pr.	4	'59	101	103	101
Mtl. L. H. & Pr.	3½	'56	103½	105½	103½
Do.	3½	'73	102	104	101½
Do.	3½	'63	102	104	102
†Mtl. Tramways	5	'51	101½	103½	101½
†Do.	5	'55	85½	88½	84½
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102½	..	102½
Ottawa V. Pwr.	5	'59	101	103½	101
†Power Corp.	4½	'59	92½	95½	92
Quebec Pwr.	4	'62	103	105	103
•Saguenay P., A	4½	'66	108	111	108
‡Do., B	4½	'66	105½	108½	105½
St. Maurice Pr.	4½	'70	103½	105½	103½
Shaw, W. & Pr.	4	'61	104½	106½	104½
Do.	4	'69	104½	106½	104½
Union Gas	4½	'50	95½	98½	95½
•Twin C. R. Tr.	5½	'52	97	100	96½
†United Secs.	3	'52	94½	97	94½
‡Wpg. El. ser. A	5	'65	92½	95½	92
Do., B	5	'65	85	88	84
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	58½	61½	58
Do., C.O.D.	5	'53	57½	60½	56½
Acadia Sugar	4½	'55	100½	102½	101
Do.	6	'54	95½	98	95½
†Alta Pa. Grain	6	'46	105½	107½	105
Algoma Steel	5	'48	103	106	103
Atlantic Sugar	4	'51	101½	103½	101
†B. C. Pulp & P.	6	'50	91½	94½	90
‡†Do.	7	'50	68	..	60
•Brown Co.	5½	'46	77½	80½	76½
Burns & Co.	5	'58	76½	79½	76½
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	97	100	97
Can. Paper	4½	'52	99½	102½	99½
Can. Steamship	5	'57	103	105	103
Can. Canners	4	'51	101½	103	101½
*Can. Int. Paper	6	'49	105	107	105
‡Can. Locomotive	6	'53	100½	103½	100
‡†Candn. Vickers	6	'47	98½	101	98½
C.P.R.	3½	'51	96½	98½	96½
Do.	4	'49	100½	102½	100½
Col. Steamships	6	'54	101½	103½	101½
†Consol. Paper	5½	'61	67½	70½	66½
Dom. Coal	4½	'52	97½	100	97½
Dom. Scott. Inv.	4	'52	98½	101	98
Dom. Stl. & Co.	6½	'55	106½	108½	105
Dom. Tar	4½	'51	102½	105	102½
Dom. Woollens	6	'53	98	100½	98
†Donnacona Pap.	4½	'58	76½	79½	76½
*Dryden Pap.	6	'49	103	106	103
†East. Dairies	6	'49	86	..	85½
Famous Players	4½	'51	101½	103½	101½
†Federal Grain	6	'49	106½	108½	106
†Fraser Cos.	6	'50	103	..	103
Galt Brass	5	'50	95½	98½	95
Gen. Stl. Wares	4½	'52	102	104	102
*Gt. L. Paper	5	'55	92½	95½	92½
•Gurney Fdry.	5½	'49	89	92	87½
†Gypsum Lime	5½	'48	103	105	103
Ham. By-Pr. C.	5	'55	101½	104	101½
Do.	6	'56	100½	103	100½
Ham. Cotton	4½	'50	100½	103	100
Inter-City Bak.	5½	'48	102½	105	102½
Indust. Accept.	4	'52	85	88	85
Ins. Ex. Bldg.	3	'51	54	57	54
*Inter. P. Nfld.	5	'68	98	100	97½
*Inv. Bond & Sh.	5	'47	39½	42½	40
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	81½	..	81
Do.	5	'61	55½	58½	55
Legare	6	'61	89	92	89
Maple L. M.	3	'58	95	97½	95
Man. Sugar	5	'60	103	105½	103
Massey-Harris	4½	'54	98½	101	98
McColl-Fron.	4½	'49	100½	103½	100
McCormicks	4	'52	98	101	98
Do.	4½	'52	102½	104½	102½
Mercury Mills	5	'59	96½	99	96
Mersey Paper	5	'57	91	94	91
†Do.	6	'49	92½	95½	92½
•M. & O. Paper	5	'60	103	105	103
Moirs Ltd.	6	'53	78	81	75

Corporation Bonds (Cont'd)

‡Mtrl. Drydocks	6	'48	87	90	87
Montreal Apts.	4	'54	47	50	47
Nat. Grocers	4	'47	101½	..	101½
N. S. Stl. Coal	3½	'63	82	85	82
Price Bros.	5	'57	92½	95½	92
Do.	4	'57	74½	77½	73
*Prov. Paper	5½	'47	104	106	104
Reliance Grain	4½	'52	99½	101½	99½
†Restigouche Co.	6	'48	102	..	102
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'48	80	..	79
Silv. Dairies	6	'68	94½	97½	94½
Simpsons, Ltd.	4½	'51	101	103	100½
Smith, Howard	4½	'51	103	105	103
Stand. Lime	6	'44	98½	..	98½
Sterling Coal	6	'45	99	101	99
Stop Shop	3	'47	62½	65	62
United Amuse.	5	'56	100	102½	100
United Corp.	5	'53	96½	99	95½
*United Gas	5½	'48	105½	107½	105½
United Gr. Grs.	5	'48	101	103	101
†Western Grain	6	'49	68½	71½	71½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
•Payable in U. S.
‡Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Government Bonds

Jan. 6, 1943 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.	Approx. Yld.
2½	June '43	100½	101	...
3	Oct. '43	102½	103½	1.07
2	June '44	100¾	101½	1.21
1½	Sept. '44	99¾	100½	1.26
2½	Jan. '44	100	100½‡	...
4½	Oct. '44	105	106½	1.36
3½	Nov. '44	101¾	103½	1.37
a2½	Aug. '45	100½	‡100¾	b1.20
4	Oct. '45	101½	102½	...
2	Mar. '45	100¾	101½	1.46
2	Dec. '46	99½	100¾	1.90
4½	Feb. '46	107¾	107¾	1.87
2½	Mar. '48	99½	100½	2.20
1½	May '46	99½	100	1.75
3½	June '49	102¾	103½	b2.27
3½	Oct. '49	102½	103	b1.83
3½	Nov. '51	101¾	102¾	b2.81
3½	Feb. '52	102½	103	‡2.82
a5	May '52	100¾	101‡	b
4	Oct. '52	106	106½	b2.55
a3	June '51	101	101½	2.90
3	Oct. '52	99¾	100½	2.96
3	June '55	99½	100	3.00
a3	Nov. '56	99½	100	3.06
4½	Nov. '56	107	107½	b2.47
4½	Nov. '57	107¾	108½	b2.70
a3	Mar. '54	100	100½	3.02
3	June '58	99½	99¾	3.02
4½	Nov. '58	108½	109	b2.82
4½	Nov. '59	109½	110	b2.89
a4	Oct. '60	107½	108‡	b2.84
a3½	Jan. '61	101¾	102½‡	3.02
3½	June '66	101¾	101¾	b3.08
a3c	Jan. '67	97½	97½‡	3.13
a3c	Nov. '68	97½	97½‡	3.13
†3	Perpet'l.	94½	94¾	3.17
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	100	100½	...
2½	Jan. '46	100¾	101½	1.83
3	May '44	101¾	102½	1.39
3	Dec. '50	99½	100¾	2.87
3	Jan. '59	99	99½	3.02
*4½	Sept. '51	120¾	121¾	1.49
*4½	Feb. '56	121¾	122¾	2.46
4½	July '57	122½	123¾	2.57
3	Feb. '53	99¾	99¾	3.02
4½	June '55	123¾	124¾	2.44
5	Feb. '54	117½	118½	3.02
*5c	July '69	118½	119½	...
*5c	Oct. '69	124½	125½	b1.72
*5c	Feb. '70	124½	125½	b1.84
Can. Nat. W. Ind. S. S.:				
5	Mar. '55	124½	125½	2.53
Grand Trunk Pacific Rly.:				
3	Jan. '62	103½	104½	2.68
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	94½	96½	3.45
3½	Aug. '49	96	98	3.57
3½	June '56	97	99	3.59
c4	Nov. '47	109½	111	b.41
c4½	Apr. '61	110½	113	3.53
c5	Jan. '60	113	115	3.82
Nova Scotia:				
3	Jan. '52	98	99½	3.06
3½	June '56	99½	101	3.16
3½	Nov. '50	101½	102½	3.18
c4½	Sept. '52	112	114	...
c4½	Nov. '60	115	117	3.24
c5	Mar. '60	120	122	3.33
Ontario:				
2½	May '45	100	101	2.11
3	Apr. '48	100½	101½	b2.61
3	Nov. '50	99½	100½	b2.89
3½	Nov. '51	100½	101½	b3.05
3½	May '55	100½	101½	b3.10
*4	June '62	115½	117½	2.83
4½	June '50	109	110	3.04
*4½	Jan. '62	119	121	3.04
5	Oct. '48	109¾	110¾	3.00
*5	Dec. '60	127½	128½	2.95
5½	July '46	108	109	2.78
Ont. Hydro Commission:				
3	Aug. '48	100½	101½	b2.64
3½	Feb. '53	100½	101½	b3.05
3½	Apr. '47	103½	104½	2.48
Prince Edward Island:				
4	Mar. '54	102	104	3.57
Quebec:				
3	Nov. '47	99½	100½	2.94
3½	Mar. '48	99½	100½	3.20
3½	Mar. '59	99	100	3.50
4	Nov. '52	102¾	103¾	b3.46
3½	Feb. '55	100½	101½	b3.33
4½	Aug. '58	106	107	3.67
4½	Jan. '63	110½	111½	3.70
Alberta:				
4½	Oct. '56	73	76	d
4	Dec. '54	72	75	d
*5	Oct. '59	74	77	d
c5½	Apr. '52	75	78	d
6	Mar. '47	76	79	d
British Columbia:				
4	Dec. '57	107	109	3.23
*4½	Jan. '51	112	114	2.55
c4½	Oct. '53	112	114	2.97
c5	Apr. '54	114½	116½	3.26
5½	Feb. '45	103½	105½	2.76
6	Feb. '47	108½	110½	3.28
Manitoba:				
c4	Dec. '57	101½	103½	3.69
c4½	Dec. '56	105	107	3.85
*5	Dec. '59	107½	109½	4.21
5½	Oct. '55	109¾	111¾	4.29
6	Apr. '47	107	109	3.89
Saskatchewan:				
4	Sept. '54	86½	88½	5.33
4	Nov. '60	86½	88½	4.97
c4½	Oct. '51	95	..	...
c4½	Mar. '60	92	94	5.01
5	Aug. '58	92	95	5.47
5½	Oct. '52	97½	99½	5.37
6	Mar. '52	99½	101½	5.79

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ‡-Calculated at 1950 average maturity. ■-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Jan. 5, 1943

Industrial:	Bid.	Ask.
Acme Farm. pf.	60	..
Andian National	17½	20
Anglo C. Tel., A	7½	8½
Atlas Steels, c.	17½	22
Do., pref.	102	..
B. C. Pulp, c.	9½	10½
Do., pfd.	63	68½
Barrymore Cl. p.	40	..
B. C. Sugar	68	..
B. C. Tel. p.	103	..
Brown, com.	1½	2
Do., pfd.	23	..
Burns & Co., A	5	7
Do., B	2½	4
Can. Indust. A	146	151
Can. Co-op. Wool	8	9½
Can. Mach. c.	7½	9½
Can. Ing. Rand	62	65
Can. Mot. L.A.B.	6½	8½
Cap. W. Cloth.	5	..
Do., pref.	18	20½
Col. Realty	2½	..
Chase, A. W., p.	15	18½
Colonial Steam	47½	52
Copeland F. un.	15	17
Corr. Pap. Box c.	1½	2½
Coll. Term. c.	2½	..
Dunlop T. p. $25	17	18½
Easy Wash. p. $10	8½	10½
Fed. Grain pf.	45	47
Galt Brass, c.	9½	12
Goderich Elev.	8	9
Guard. Realty, p.	13	15
Guelph Carp., c.	13	16
Gurney Fdy., p.	1½	1½
Hart Battery	5½	..
Hayes Steel, c.	14	15½
High. Dairy pf.	..	48
Inglis John	6	7½
Ingram & Bell p.	89	..
Kingst. Ship., c.	11½	14
Loblaw Inc. c.	11½	13½
Minn. & Ont. p. c.	4½	4½
Mt. Royal H. c.	3	4
Morrison Br. un.	5	7
M'row Screw p.	100	103
Do., com.	14	16
Neilson, c.	11	..
Neilson Wm. p.	101	..
N. Meth. Ldy. p.	75	..
Ont. Tobacco, p.	16½	16½
Prov. Paper, p.	94½	97½
Quinte Milk	2½	3½
Rel. Grain	7	10
Do., pref.	78	82
Robertson, P. L.	305	..
Stand. Fuel, p.	50	63
Stedman, pf. $50	54	56
River Silk B.	1½	..
Sutton Horsley	1½	1½
Tor. Carpet, c.	65	..
Do., pref.	66	72
Un. F. Co-op.	3½	5
Un. Steel, A. pf.	23½	24½
Viceroy Mfg., c.	12	..
Do., pref.	23	..
Waterloo Mfg.	3½	..
Trust & Loan Stocks:		
British Mtge.	116	126½
Brockville Tr.	44	..
Cap. Trust	28	32
Comm. Fin., c.	8	..
Grey & Br. Tr. $50	45	..
Guaranty Trust	100	103
Guelph & O. $50	48	53
Indust. Mtge.	25½	28½
Lambton Loan	34	..
Lon. & W. Trust	30	34
Midland Loan	14	16
Premier Trust	24½	28½
Sherbrooke Tr.	120	..
Sterling Trust	51	55
Trusts & Guar.	28½	31
Victoria Trust	63	68
Waterloo Trust	99	..
Insurance Stocks:		
Brit. Amer.	50	53½
Canada Life	305	327½
Canadian Fire	75	79
Confed. 30% pd.	125	131
Cons. Fire	3½	..
Continental L.	30	34
Crown Life	250	265
Dominion Fire	130	136
D. of Can. Gen.	115	125
Dom. Life	175	200
Empire, 25% pd.	4½	5½
Excelsior 40% pd.	65	72
Fed. Fire 25% pd.	53	58
Great-West Life	215	225
Halifax Fire	14	15½
Imperial Life	245	265
Manufac. Life	214	222
Monarch Life	31	34
National Life	8	10
Sov. L. 25% pd.	11	13½
Sun Life	230	250
Tor. General	4	8½
Wellington Fire	58½	..
Western Assce.	36	38
Do., pref.	40	44
Theatre Stocks:		
Allen's St. Cath. units	55	58
Do., Kingston	64	66
Do., Toronto p.	35	37½
Mansf. Theat., p.	50	..
Para. Kitch. p.	50	..
Do., Oshawa, c.	10	11½
Investment Trust Shares:		
Sec's. Hold., pf.	17	20
Th. Can. Inv. Tr.	1½	1½
Power Issues:		
Can. W. N. Gas	28	..
Do., pfd.	102	107
Gt. Lakes Pr., p.	100	100½
Int. Util. $1.75 p.	7	..
Do., $3.50 p.	24	..
Mil. Is. Pwr. p.	41	..

Unlisted Mines

Toronto, Jan. 5, 1943

	Bid	Ask
Adnaron	.26	.29
Albany R (old)	.01	.04
(new)	.04½	.06
Amal Kirk	.08	..
Anoki	.01	.03
Aquarius	.06½	.10
Arjon	.03	.04½
Armistice	.22	.25
Argosy	.03	..
Area	.07	.08½
Arntfield	.00½	.01½
Barb Lard	.02	.03
Brock	.05½	.08½
Clift Cons	.22	.25
Can Rad	.03	.05
Cent Man	.02	.03
Cheminis	.02½	.04
Columb	.22	.24
Cons Chib	.04	.06
Delpine	..	.03
De Santis (new)	.02½	.03
Dona Pat	.00½	.01½
Eastward	.08	.10
Elmos	.03	.06
Franco	.15	.19
Goodrock	.21	.23
Hayes Cad	.02½	.03
Hoyle (new)	.10	.12
Hugh P P	.03	..
Kirk Tow	.05	..
Lacoma	.00½	.01
Laguerre	.11	.14
Lk Geneva	.04½	.05½
Low Pete	.30	..
Magnet C	.34	.39
Magnet L	.10	..
Maj Mica	.33	.38
Mat Can	.02	.03
Mat Cons	.08	.12
McMarm	.09	.12
Moffatt H	.01	.08
Mosher	.10	.13
McManus	.00½	.02
Nat Mal	.20	.22
Newbec	.01½	.02
Nick Off	.80	1.05
Norbeau	.14	.18
North Tin	.16	.17
Oklend	.04	..
O'Lea Mal	.02	.03
Opemiska	.03	.05
Orpit	.01½	.02½
Pascalis	.16	..
Port Cold	.23	.26
Pontiac R (old)	.02	..
Prop'ary	4.40	4.60
Presdor	.02	.03
Que Man	.23	.25
Rand Mal	.11	.14
Ritoria	.01	.02
S.A.G.A.	.05	.25
Sheldon	.05	..
Springer	.18	.20
Stadacona	.05½	..
Tombill	.05	.19
Tomah'k	.60	.65
Thoms Lk	.14	.18
Union Min	.02	.08
Wesley	.01½	.02½
Young D	.17	.20

OIL ROYALTIES

Producing Wells — Prices and Payments

	Dec. daily quota bbls.	Oct. daily allow bbls.	Sept. pay. 1% $	Oct. pay. 1% $	Nov. pay. 1% $	Total to Nov. 30 1% $	Offering price* per 1% $
Ace No. 1 gross	490	525	205.12	197.47	225.23	8,996.47	7,500
Alta. Oil Inc. No. 1 gr.	95	82	32.80	18.80	52.40	3,569.60	1,500
Do., No. 1 net	95	82	22.40	22.00	42.40	4,059.20	1,000
Do., No. 2 gr.	500	485	210.80	161.20	186.40	4,192.00	....
Do., No. 2 net	500	485	150.40	107.60	131.20	5,914.20	3,800
Allied No. 1 pfd.	100	116	29.00	41.00	34.74	1,486.34	....
Arrow No. 1 net	140	95	42.92	33.27	35.00	768.15	1,200
Do., No. 2 net	190	186	51.00	54.00	53.00	1,510.20	1,700
Atlas-Br. D. No. 2 pfd.	600	654	293.20	224.80	....	†2,047.60	6,800
Atlas-Br. D. No. 3 pfd.	700	...	....	....	....	......	7,400
D. & D. net pfd.	75	75	30.00	32.00	28.00	1,837.80	1,000
East Crest No. 5	135	130	49.60	49.20	50.00	336.40	1,800
Independent No. 1 p.	200	220	93.03	107.37	....	......	3,100
Do., No. 1 gr.	200	220	78.62	97.49	93.97	2,394.15	....
Major Oil No. 1 pfd.	120	108	40.00	30.80	47.20	668.00	1,200
Do., No. 1 gr.	120	108	43.20	41.20	49.60	1,563.40	....
Do., No. 2 net	554	578	154.40	156.80	164.00	4,497.40	5,300
Do., No. 2 gr.	554	578	259.60	233.20	223.20	5,816.80	....
Do., No. 3 net	820	825	259.20	248.40	246.80	5,990.40	8,000
Do., No. 3 gr.	820	825	374.80	....	356.00	......	....
Do., No. 4 net	300	298	137.20	106.00	48.00	2,097.20	....
Do., No. 4 gr.	300	299	128.40	99.20	62.80	3,396.40	....
Do., No. 7 pfd.	530	650	....	264.80	275.00	540.40	7,300
Do., No. 7 dfd.	530	650	....	....	....	......	3,900
Do., No. 7 gr.	530	650	292.40	280.00	261.60	1,288.40	....
Do., No. 8 pfd.	325	529	....	....	146.80	146.80	4,200
Do., No. 8 gr.	325	529	199.60	152.40	132.80	661.20	....
Do., No. 8 dfd.	325	529	....	....	....	......	2,100
Do., No. 9 gr.	515	427	181.60	153.20	153.60	1,014.40	....
Do., No. 9 pfd.	515	427	....	....	....	......	4,900
Do., No. 9 dfd.	515	427	....	....	....	......	2,300
Miracle No. 1 net	385	415	124.27	119.75	121.54	4,704.59	3,800
Do., No. 1 gr.	385	415	170.40	174.00	180.80	4,706.60	6,500
Do., No. 2 pfd.	220	304	166.62	125.26	141.16	1,291.38	2,700
Do., No. 2 gr.	220	304	149.60	110.80	120.40	842.72	....
Renown No. 1 pfd.	90	95	36.78	38.59	39.69	252.31	....
Winalta No. 1 pfd.	80	81	30.80	26.89	21.20	3,461.50	....

*Approximately 25% over dealers' bid prices.
†To October 31 only.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Bonaventure pfd.	7,915	$2,200
Bonaventure gr.	7,915	3,800
Maryland Pete., pfd.	4,432	*4,375
Major Oil No. 6 pfd.	8,022	5,400
Major Oil No. 6 gr.	8,022	7,100
Miracle No. 3 pfd.	8,098	6,300
Miracle No. 3 gr.	8,098	8,500
Northclonmel No. 1 pfd.	8,683	5,000
Northclonmel No. 1 dfd.	8,683	2,200
Northclonmel No. 1 gr.	8,683	7,000
Northend No. 1 pfd.	8,949	3,300
Northend No. 1 dfd.	8,949	1,700
Northend No. 1 gr.	8,949	5,000
Northend No. 2 pfd.	6,450	2,800
Northend No. 2 gr.	6,450	4,400
National Vulcan No. 1	5,505	*4,375
New Ranchmen's pfd.	1,770	*3,200
Empire pfd. (Ont.)†	....	*1,100
Hi-Test Pet. pfd.†	....	*3,600
Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.

Annual Meetings

1943	Company	Place
Jan. 9	Scythes & Co.	Toronto
Jan. 12	Sec. Candn. Intnl. Inv.	Montreal
Jan. 13	Kelvinator of Can.	London, Ont.
Jan. 14	Dryden Paper	Montreal
Jan. 14	Provincial Bank	Montreal
Jan. 14	Royal Bank	Montreal
Jan. 19	National Life	Toronto
Jan. 20	Bank of Toronto	Toronto
Jan. 21	London Life Ins.	London, Ont.
Jan. 21	Manufacturers Life	Toronto
Jan. 21	Canada Life	Toronto
Jan. 22	Crown Life	Toronto
Jan. 25	North Amer. Life	Toronto
Jan. 26	Confederation Life	Toronto
Feb. 3	Bank of Nova Scotia	Halifax
Feb. 4	Mutual Life	Waterloo

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Showing Bid and Asked by Jan. 5, and changes in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Lond. Thea. pfd.	52	55	—1
Atlas Steels 7% 2nd p.	105	106½	..
Brantford Roofing, c.	1½	2½	..
*Can. Gen. Rubber, pfd.	..	31	..
C.P.R. 4% p. (£ par)	2½	3	..
Can. Paving, 1st pfd.	.90	..	..
Can. Tea 7% pref.	28	..	..
Can. West. Lumber, c.	.20	.35	..
Cawthra Apts., pref.	2½	3½	..
Claude Neon, 7% pref.	2	3	..
Commer. Life, 10% pd.	5½	8	—½
†Copeland Flour units	15½	17	..
Copland Brewing	.90	..	..
Dom. Life, 70% pd.	178	200	+1
Dover Industries	7	8½	+½
Dubuisson Gold	.12	.15½	..
Eastern Steel, 8% pref.	20½	21½	..
Federal Fdries. com.	.15	..	+5c
†Ft. Wm. Hotel units	..	45	..
Franco Oils, com.	.19½	.22½	+1c
Loew's London Th. pfd.	7½	8½	..
Mont. Deb. Corp., pref.	2	..	..
Murphy Paint, com.	8½	10½	..
Do., 5½% pref.	93½	96	+½
Nat. Hosiery, com.	.95	1.30	+10c
Do., pref.	.95	1.20	..
†Nor. Amer. Elev. 1st pf.	88	..	..
*Do., 2nd pfd.	30	..	—1
Do., com.	..	1	..
Que. Pulp & Paper, p.	25	27	—½
Reanite Corp.	1	2½	..
Sawyer Massey, com.	.10	.30	..
St. John Dry D. 5½% pf.	95	98	..
Sincennes McN., com.	1½	..	..
Supertest Pete., 6% pf.	26½	27½	..
Tip Top Tailors Inc. un.	7½	9	..
Viceroy Mfg., 6% pref.	23½	25½	+½
West. Can. Hydro, pf.	11½	12½	..
Western Life, 20% pd.	11½	13½	..
Windsor Hotel, com.	2½	3½	..

*Issue carries arrears.
†Currently paying on arrears.

Supplementary Bond Quotations

(Furnished by A. J. Pattison, Jr., & Co., Toronto)
Comparative Prices of Unlisted Bonds

	1940 Bid	1940 Asked	1941 Bid	1941 Asked	Dec. 31, 1942 Bid	Dec. 31, 1942 Asked
Industrial Bonds:						
Algoma Central Ry., 5's, '50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B.C. Pulp & Paper, 6's, '50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B.C. Pulp & Paper, 7's, '50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brown Co., 5½'s, '46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Burns & Co., 5½'s, 1958	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Locomotive, 6's, '53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Machinery, 6's, '53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Theatre, 5's, '51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Vickers, 6's, 1947	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dom. Woollens, 6's, '53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eastern Dairies, 6's, '49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Economic Invest. Trust, 5's, '57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Galt Brass, 6's, '47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
General Steel Wares, 4½'s, '52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Goodrich B. F. Can., 7's, '43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gurney Foundry, 4½'s, '47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrial Accept., 4's, '47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Internat. Hydro Elec., 6's, '44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kingston Elevators, 6's, '47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Maple Leaf Milling, 3-5½'s, '58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mercury Mills, 5's, '50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Minn. & Ont. Paper, 5's, '60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Montreal Drydock, 6's, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Morrison Brass, 7's, '46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Municipal Bankers, '41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Method Laun., 6's, serial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stand. Clay Prod., 6's, '42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sterling Coal, 6's, '43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stop & Shop, 5's, '47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Twin City R., 5½'s, '52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
United Amusement, 5½'s, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
United Corps., 5's, '53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
United Gr. Growers, 5½'s, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Western Grain, 6's, '49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Realty Bonds:						
Acadia Apt., 4's, '56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Adelaide Peter, 6½'s, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Adelaide Sheppard, 7's, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Albert Bay, 6½'s, '47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alexandra Apt., 5's, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Arnott Place, 6½'s, '56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Annandale Court Apts., 6½ serial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balfour Bldg., 6's, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bay Cumberland, 6½'s, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bloor St. George, 7's, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Carendon Apts., 7's, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Clarendon Prop., 7's, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deer Park Manor, 6's, '48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ellis Park Apts., 4½'s, '45 W.S.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
General Brock Hot., 7's, '54	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Godfrey Realty, 6½'s, '45 W.S. & int.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Insur. Exchange, 3-4-5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lombard Realty, 5½'s, '51 W.S.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
London Realty, 6½'s, '50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lord Nelson Hot., 6's, '47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario Bldg., 3½'s, '43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oshawa Bldg., 3-4½'s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prince Ed. Hotel, 4's, '47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prof. Offices, 7's	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Richmond Bay, 6½'s, '47	96.50	....	98.00	101.00	96.50	98.50
Stock Exchange, 6's, '44	....	....	....	....	46.00	....
St. Cath. Stan. Real., 3-3½-4's, '57	....	....	....	....	60.00	63.00
Wellington Bldg., 6½'s, serial	49.00	....	55.00	....	61.00	....
Windsor Arms, 6½'s, '47	93.00	....	93.00	95.50	97.00	99.75
Windsor Court Apt., 6½'s, serial	....	....	....	....	41.00	44.00

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)
Comparitive Prices of Unlisted Stocks

	1940 Bid	1940 Asked	1941 Bid	1941 Asked	Dec. 31, 1942 Bid	Dec. 31, 1942 Asked
Industrial Stocks:						
Acme Farmers Dairy, pfd.	28.00	31.00	44.00	47.00	60.00	....
Andian National Corp.	27.00	28.50	29.50	31.50	18.00	21.50
Anglo Can. Telephone, A	8.25	8.60	7.00	8.00	7.50	8.25
Do., 5½% pfd.	45.00	48.50	....	42.50	40.00	43.75
Atlas Steel, com.	10.00	....	20.00	22.50	17.50	22.00
Do., pfd.	....	....	....	....	100.00	....
Barrymore Cloth, pfd.	29.00	....	31.00	....	40.00	....
Brantford Roofing	....	....	2.00	....	2.00	....
B. C. Pulp & Paper, com.	17.00	18.50	9.00	11.00	9.00	10.25
Do., 7% pfd.	68.00	72.00	60.00	70.00	63.00	67.00
B. C. Sugar	73.00	76.00	73.00	76.00	66.00	....
B. C. Tel., 1st pfd.	....	....	....	....	103.00	....
Brown Co., new com.	....	....	1.60	2.00	1.50	2.00
Do., new pfd.	....	....	29.00	32.00	23.00	24.50
Burns & Co. Ltd., A	2.75	4.00	4.00	5.50	5.00	7.00
Do., B	1.00	2.50	2.50	3.50	3.00	4.00
Canada Starch, pfd.	100.00	102.00	100.00	103.00	104.00	....
Can. Wire & Cable, 6½% pfd.	106.00	108.00	107.00	109.00	107.00	109.00
Canada Tea, pfd.	....	24.00	....	27.50	25.00	....
Can. Co-op. Wool Growers	6.00	8.00	8.00	....	8.00	9.50
Can. Goodrich, com.	1.25	....	1.25	....	2.00	....
Can. Industries, A com.	210.00	220.00	165.00	170.00	147.00	153.00
Do., B com.	202.00	206.00	165.00	170.00	147.00	153.00
Do., 7% pfd.	172.00	177.00	170.00	173.00	161.00	165.00
Can. Ingersoll Rand	77.00	81.00	70.00	77.00	61.00	65.00
Can. Machinery, com.	....	....	....	....	7.25	9.50
Can. Motor Lamp, A & B	2.25	....	3.25	....	6.50	8.75
Can. Western Lumber, com.	.50	.75	.75	....	.20	.45
Can. Westinghouse	43.00	46.00	41.00	43.00	37.50	40.00
Can. Wire Cloth, com.	....	....	....	....	5.25	....
Do., pfd.	....	....	....	....	18.00	....
Chase, A. W., 8.00 pfd. bonus	18.00	20.00	17.50	19.50	15.00	18.50
Claude Neon, 7% pfd.	4.50	6.25	2.50	3.50	2.00	3.00
Collingwood Terminal, com.	....	....	....	....	2.50	....
Colonial Realty, com.	....	....	....	....	2.50	....
Colonial Steamships, com.	....	....	33.00	36.00	47.00	52.00
Cons. Sales Book, pfd.	....	65.00	50.00	....	60.00	....
Copeland Flour, units	15.00	....	14.50	16.50	15.00	17.00
Corrugated Paper Box, com.	.70	1.00	.50	1.00	1.25	2.50
Dom. Manufacturers, com.	5.00	8.00	2.00	4.00	3.25	....
Do., pfd.	62.00	66.00	66.00	....	70.00	....
Dunlop Tire, 5% pfd.	23.50	25.00	22.00	23.50	17.50	20.00
Eastern Dairies, pfd.	8.00	10.00	7.00	....	12.50	....
Easy Washine Machine, 7% pfd.	9.75	11.00	9.75	11.25	8.00	10.00
Federal Grain, com.	1.00	....	.50	1.00	1.20	1.60
Do., 6½% pfd.	31.00	34.00	34.00	36.50	44.00	48.00
Galt Brass, com.	....	....	9.50	....	10.00	12.00
Goderich Elevator	8.25	9.25	6.25	7.25	8.00	9.00
Guardian Realty, pfd.	16.00	18.50	10.00	12.50	12.50	15.00
Guelph Carpet, com.	19.00	....	18.00	20.00	13.00	16.00
Hart Battery, com.	....	....	....	....	5.25	....
Hayes Steel Prod., com.	9.50	10.50	13.75	15.00	13.50	15.50
Highland Dairy, com.	1.00	2.00	1.00	2.00	....	2.00
Do., pfd.	45.00	55.00	48.00	51.50	....	45.00
Kingston Shipbldg., com.	....	....	....	....	11.50	13.00
Inglis, John	....	....	3.50	5.00	6.00	7.25
Industrial Accept. Corp., pfd.	85.00	89.00	....	89.00	....	82.00
Ingram & Bell, pfd.	....	....	95.00	....	88.00	....
Inter. Mill., pfd.	....	....	....	....	112.00	....
Loblaw Groceterias Inc., com.	12.50	13.50	11.50	13.00	11.00	13.00
Maritime Tel. & Tel., com.	16.00	....	16.50	....	11.50	....
Do., pfd.	16.50	....	16.00	....	16.00	....
Minn. & Ont. Paper, com.	....	....	4.50	5.20	4.00	4.75
Moirs Ltd., 6% pfd.	17.00	....	19.00	21.50	18.30	21.50
Morrison Brass, units	4.25	7.00	6.00	....	5.50	7.00
Morrow Screw, com.	10.50	....	12.00	16.00	14.00	16.00
Do., pfd.	100.00	105.00	104.00	106.00	100.00	103.00
Mount Royal Hotel, new	....	....	....	....	2.75	4.00
Neilson, Wm., com.	....	....	10.00	....	10.00	....
Do., pfd.	....	....	100.00	....	100.00	....
New Brunswick Tel., com.	11.00	13.00	10.00	12.00	11.00	....
New Method Laund., 6½% pfd.	53.50	60.00	56.00	59.00	74.00	....
North Am. Elevators, 1st pfd.	49.00	....	70.00	....	85.00	....
Do., 2nd pfd.	20.00	....	35.00	....	25.00	....
Office Specialty, pfd.	70.00	....	72.50	....	75.00	....
Ont. Tobacco, pfd. bonus	14.00	17.00	18.00	21.00	16.00	18.50
Pacific Coast Terminals, com.	....	....	....	7.00	....	6.50
Provincial Paper, 7% pfd.	105.00	107.00	100.50	102.75	93.50	97.00
Quinte Milk Products	....	....	2.25	3.50	2.50	3.50
Reliance Grain, com.	3.00	....	6.50	....	7.00	10.00
Do., 6½% pfd.	67.00	71.00	70.00	....	78.50	....
Riverside Silk, B	....	....	....	....	1.75	....
Robertson, P. L., old	100.00	....	105.00	....	305.00	....
Ruddy, E. L., 7% pfd.	22.00	26.00	20.00	24.00	....	....
Seal-O-Sac (Can.) Ltd.	1.00	2.50	....	1.50	....	1.50
Standard Fuel, com.	1.00	2.00	1.00	....	1.00	....
Do., 6½% pfd.	61.00	65.00	52.50	56.50	50.00	53.00
Stedman Bros., 6% pfd.	56.00	59.00	57.00	60.00	53.00	56.00
Sutton Horsley	....	....	....	1.15	1.20	....
Toronto Carpet, com.	37.00	....	45.00	....	65.00	....
Do., 6½% pfd.	60.00	....	66.00	70.00	67.00	72.00
United Farmers Co-op.	2.50	3.25	2.90	3.50	3.50	5.00
United Steel, A pfd.	22.50	24.00	21.50	23.50	23.00	24.50
Viceroy Mfg., pfd	22.50	25.50	22.00	25.50	23.00	....
Do., com.	11.50	15.50	11.50	12.75	12.50	....
Waterloo Mfg.	....	....	....	....	2.50	....
Western Grain, 6½% pfd.	7.00	9.00	5.00	....	7.00	....
Western Steel Prod., com.	8.00	10.00	9.50	....	7.50	9.00
Weston (George) Holdings Ltd.	2.00	5.00	....	4.00	2.00	....
Trust and Loan Stocks:						
British Mortgage & Trust	120.00	135.00	123.00	132.00	115.00	125.00
Brockville Loan & Savings	....	....	42.00	....	43.00	....
Commercial Finance, com.	2.50	3.25	4.00	....	6.50	9.50
Crown Trust	80.00	90.00	80.00	....	60.00	....
Eastern Trust	174.00	182.00	170.00	....	150.00	....
Grey & Bruce Trust	....	....	43.00	....	45.00	....
Guaranty Trust	98.00	102.00	100.00	103.00	100.00	103.00
Guelph & Ont. Invest.	51.00	55.00	50.00	53.50	50.00	53.50
Lambton Loan	31.00	34.00	30.00	33.00	34.00	....
London & Western Trust	....	37.00	....	36.00	31.00	33.50
Midland Loan & Savings	13.50	16.00	14.00	16.00	14.00	16.00
Nova Scotia Trust	....	140.00	....	140.00	85.00	....
Premier Trust	60.00	65.00	40.00	43.00	24.00	27.50
Sterling Trust	56.00	....	51.00	....	51.00	53.00
Trusts & Guarantee (new)	50.00	55.00	37.50	41.00	28.00	31.00
Waterloo Trusts & Savings	98.00	102.00	100.00	....	100.00	....
Victoria Loan & Savings	70.00	....	70.00	75.00	62.00	68.00
Insurance Stocks:						
British America Assce.	50.00	55.00	51.00	53.00	50.00	52.50
Canada Life Assce., div. $20	385.00	397.00	370.00	380.00	300.00	327.50
Canadian Fire Ins.	78.50	....	78.00	82.00	70.00	78.00
Confederation Life, 30% pd.	135.00	145.00	125.00	135.00	125.00	131.00
Consol. Fire & Casualty	....	....	3.75	....	3.75	....
Continental Life 20% pd.	35.00	....	35.00	38.00	30.00	34.00
Crown Life, fully pd.	253.00	278.00	265.00	285.00	250.00	264.00
Dominion Fire Ins.	135.00	....	138.00	145.00	131.00	136.00
Dominion Life, 50% pd.	250.00	300.00	200.00	250.00	177.00	200.00
Dom. of Can. Gen. Ins.	120.00	135.00	115.00	120.00	120.00	125.00
Empire Life, 25% pd.	5.50	6.50	5.00	6.00	4.25	5.25
Excelsior Life, 35% pd.	70.00	....	70.00	74.00	67.00	72.00
Federal Fire, 25% pd.	51.00	53.00	52.50	56.00	53.00	56.00
Great-West Life	200.00	215.00	195.00	205.00	210.00	222.00
Guar. Co. of N. A., fully pd.	380.00	....	350.00	....	220.00	....
Halifax Fire Ins.	17.00	20.00	17.00	18.50	14.25	15.25
Imperial Life	280.00	300.00	265.00	280.00	240.00	285.00
Manufacturers Life	225.00	240.00	215.00	225.00	210.00	222.00
Monarch Life, 10% pd.	33.00	....	33.00	35.00	31.00	34.00
National Life, 25% pd.	25.00	30.00	....	10.00	7.50	10.00
Sovereign Life, 25% pd.	12.50	15.00	12.50	....	11.00	12.50
Sun Life Assce.	300.00	350.00	290.00	310.00	220.00	250.00
Toronto General Ins.	5.00	5.75	4.25	5.00	4.00	5.50
Wellington Fire Ins.	58.00	....	58.00	....	58.50	....
Western Assce., com.	40.00	42.00	43.00	46.00	36.25	38.50
Western Assce., pfd.	40.00	44.00	43.50	46.00	41.00	44.00
Theatre Stocks:						
Allens Beach, pfd.	60.00	65.00	58.00	....	60.00	....
Allens Kingston, pfd.	64.00	66.00	61.00	66.00	63.00	68.00
Allens London pfd.	51.00	55.00	50.00	....	57.50	....
Allens St. Catharines, pfd.	51.50	53.00	53.00	56.00	55.00	58.00
Allens Toronto 7%, pfd. bonus	31.00	35.00	32.00	36.00	34.50	37.00
Loew's Buffalo, pfd.	3.00	5.00	3.00	5.00	3.00	....
Loew's London, pfd.	2.25	3.00	3.00	4.00	7.25	....
Marcus Loew's Theatre, com.	....	....	17.50	20.00	25.00	....
Mansfield Theatres 7%, pfd.	26.50	30.00	29.00	33.00	45.00	....
Paramount Kitchener, pfd.	51.00	55.00	52.00	56.00	50.00	....
Paramount Oshawa, com.	....	....	....	9.50	11.00	....
United Amusement, A	12.25	13.25	12.50	14.00	14.50	15.00
United Amusement, B	12.50	13.25	12.50	14.00	13.00	14.50
Investment Trust Shares:						
Can. Gen. Investments	8.00	8.25	7.25	7.75	7.75	8.50
Can. Investment Fund	3.35	3.75	3.00	4.00	3.30	3.80
Can. Investors Corp.	5.25	6.00	5.00	6.00	4.25	....
Debenture & Securities, pfd.	58.00	....	60.00	....	61.50	....
Securities Hold., pfd. bonus	18.00	20.00	18.00	20.00	17.00	19.00
Third Can. Gen. Inv. Trust	....	....	....	....	1.50	1.70

Feed Grain Export Continues

U. S. Imports Now Total Over 11 Million Bushels

From Our Own Correspondent

WINNIPEG. — Heavy demand from the United States for Canadian oats continues to be one of the interesting features of the grain market situation. At the beginning of the crop year a fairly good demand developed for western oats from the northeastern corner of the United States, mainly for the use of dairy farmers who are accustomed each year to bring in large supplies of feed grain but who have previously relied on the western states for their stocks.

During the navigation season on the Great Lakes, 17 million bushels of oats were cleared to eastern destinations and of this quantity 11 million bushels were destined to ports in the United States. It is also probable that a considerable part of the six million bushels consigned to eastern Canadian ports might be subsequently forwarded to destinations in the United States.

Only a Fraction Yet

This supply, although considerable, represents only a fraction of the quantity of oats which it is hoped that Canada may succeed in marketing in the United States during the current crop year. It was consequently very encouraging when, immediately after the close of navigation, a strong demand for milling oats developed from centres in the United States such as Duluth, Minneapolis, Milwaukee and even points east and south of Chicago.

These oats are being forwarded all rail direct from country points in the west to destination. The freight rate structure is such as to make this movement most economical from points in eastern Manitoba. The demand for prompt shipment, however, has been sufficient to extend the demand to shipping points in eastern Saskatchewan.

Quick Refills

Under the exigencies of the storage situation no very large quantity of oats can be in store at any one elevator, as most of the space at any point will probably be taken up with wheat. The Canadian Wheat Board has allowed deliveries of up to 20 bushels per seeded acre of oats and at probably the majority of points, farmers have not yet found space for all their quotas. As rapidly, therefore, as oats are shipped out from any point, making space available, it is filled up with new deliveries from farmers.

One of the great uncertainties of the present crop year lies in the quantity of oats that farmers will want to deliver. Judging from previous consumption of oats in western Canada, and allowing for large quantities of wheat to be fed to livestock, it has been calculated that farmers might have a total quantity of almost 200 million bushels of oats to dispose of.

Recent reports from the country, however, indicate that a very large number of farmers, instead of counting on disposing of all their feed grain during the current crop year, plan to hold substantial surpluses as a reserve to guarantee their ability to continue livestock operations in subsequent years. In the opinion of some observers western offerings of oats will be large during next spring and summer if prospects for the new crop appear good; if the outlook for the new crop is discouraging, farmers may decide to hold a large part of present stocks of feed grains.

It is probable that recent demand for mill oats from the central states runs well above five million bushels and falls short of ten million bushels. It probably represents mainly requirements for human food, both for civilian and military use. It is thought, however, that some manufacturers of bag feeds are getting interested in the Canadian product and that the demand from that source may become extensive in the near future.

Board Allows For Unthreshed Grain

From Our Own Correspondent

WINNIPEG. — The Canadian Wheat Board developed an interesting variation in its quota rules last week. Farmers who have not been able to thresh their grain, and deliver the quotas to which they are entitled, are permitted to borrow grain from their neighbors, and deliver it on their own quotas, up to a limit of value of $300 for each farmer. This is calculated to obviate some of the hardships suffered from lack of cash by farmers who have not been able to complete their threshing.

Elevator Firms Estimate 543 Million Bushel Crop

Wheat Estimate 37 Millions Below Dominion Figure — Substantial Quantities of All Grains Remain Unthreshed

From Our Own Correspondent

WINNIPEG.—The final crop estimate of the North-West Line Elevators Association released last week, puts western wheat production in 1942 at 543,742,000 bushels. That figure is approximately 37 million bushels less than the latest estimate issued by the Dominion Government. The estimate of the North-West Line Elevators Association is based on reports received from elevator agents at 95% of the shipping points in western Canada after the conclusion of the threshing season.

No subsequent check is going to be possible of the comparative accuracy of different estimates of 1942 production.

Two great unknown factors will remain, the quantity of wheat fed by farmers to livestock during the crop year and the quantity of wheat carried forward after the close of the current crop year at July 31 next.

9% Still Unthreshed

The latest estimate shows approximately 9% of the total wheat crop unthreshed as yet, 2.8% in Manitoba, 7.3% in Saskatchewan and 15.2% in Alberta. The greatest concentration of unthreshed wheat is in the north central portion of Alberta where the percentage of wheat still to be threshed would be decidedly higher. Barley threshing is shown as fairly well completed with 4.9% for the west remaining to be handled. The situation in oats is less favorable with 2.7% unthreshed in Manitoba, 10.4% unthreshed in Saskatchewan and 20.3% unthreshed in Alberta or 12.8% for the whole west.

Of the total wheat crop of 543,742,600 bushels, Manitoba is credited with 49,820,900, Saskatchewan with 318,131,000 and Alberta with 175,790,700. Total oat production for the western provinces is put at 472,355,600 bushels of which Manitoba is credited with 68,672,000, Saskatchewan with 251,962,800 and Alberta with 151,720,800.

Total barley production for the west is put at 229,665,900. Much more evenly distributed between the three provinces than is the case with either wheat or oats, Manitoba barley production is put at 72,149,700, that of Saskatchewan at 88,601,200 and that of Alberta at 68,915,000. Total rye production is estimated at 20,944,600 bushels and flax at 14,409,700 bushels.

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

Dividend No. 224

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th January, 1943, and that the same will be payable at the Bank and its Branches on and after Monday, 1st February next, to shareholders of record at the close of business on the 31st December, 1942. The Transfer Books will not be closed.

By Order of the Board.

S. M. WEDD,
General Manager.

The Dominion Bank

Dividend No. 241

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1943. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the first day of February, 1943, to shareholders of record of the 15th January, 1943.

By Order of the Board,

ROBERT RAE,
General Manager.

Toronto, 10th December, 1942.

BRITISH COLUMBIA PACKERS LIMITED

NOTICE is hereby given that the Directors of British Columbia Packers Limited have declared a dividend of 75 cents per share, payable by cheque to be issued at Vancouver, on 15th March, 1943, to shareholders of record at the close of business on February 27th, 1943.

Shareholders holding certificates in "street" form are requested to surrender such certificates to the Company's transfer agents, The London & Western Trusts Company Limited at its office in Toronto or Vancouver, or the Chartered Trust and Executor Company at its office in Montreal, so that they may become registered as the owner of such shares on or before 27th February, 1943.

DATED at Vancouver, B.C., this 23rd day of December, 1942.

By Order of the Board,

A. HAMILTON,
Secretary.

Canadian Breweries LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of eighty-five cents (85c) per share on the Cumulative Sinking Fund Convertible Preference Shares without nominal or par value in the Capital Stock of the Company has been declared payable on the 1st day of April, 1943, to Shareholders of record at the close of business on the 27th day of February, 1943.

By Order of the Board.

W. C. BUTLER,
Secretary.

Toronto, Ontario,
January 4th, 1943.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that a dividend of Fifteen Cents (15c) per share has been declared on the no par value Ordinary Stock of the Company, payable to shareholders of record the 15th day of January, 1943, and that cheques will be mailed on February 1, 1943.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.
December 17, 1942.

Zeller's Limited

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared by the Directors of Zeller's Limited for the quarter ending January 31st, 1943.

On the Preferred Shares, the regular one and one-half (1½) per cent (37½ cents), payable February 1st, 1943, to Shareholders of Record January 15th, 1943.

On the No Par Common Shares, 20c per Share, payable February 1st, 1943, to Shareholders of Record January 15th, 1943.

Also, on the No Par Common Shares, an extra of 20c per Share, payable February 1st, 1943, to Shareholders of Record January 15th, 1943.

By Order of the Board,

T. E. McDERMOTT,
Treasurer.

Flour Millers Set Record

Canadian flour mills produced 1,973,401 barrels last November. This represented an increase of 18.5% above Nov., 1941, and was the largest output for that month in any year since 1928.

Production during the first four months of the current crop year, starting August, totalled 7,382,134 barrels. This contrasts with 6,760,783 barrels in the same period of the previous crop year, an increase of 9.2%.

	1942	1941	1940
		Bbls.	
December	....	1,577,169	1,076,132
November	1,973,401	1,664,802	1,586,428
October	1,851,062	1,595,931	1,872,514
September	1,737,472	1,647,910	1,635,849
August	1,820,199	1,852,139	1,291,461
July	1,590,219	2,116,896	1,222,975
June	1,335,177	2,117,976	1,170,238
May	1,481,449	2,121,397	1,282,906
April	1,980,900	1,660,897	1,344,293
March	1,806,854	1,476,673	1,257,034
February	1,584,978	1,482,187	1,246,798
January	1,555,850	1,177,369	1,266,303
11 months	18,697,561	18,964,177	15,178,789
12 months	....	20,471,777	16,254,921

Tip Top Tailors Inc., in liquidation since Nov., 1941, will be wound up following approval given at a recent meeting. Preferred dividends will continue to be paid by Tip Top Tailors Ltd. under the guarantee which expires Jan. 30, 1944.

Notices

The Bank of Toronto

ANNUAL MEETING

The Annual Meeting of the shareholders will be held at the Head Office of the Bank, King and Bay Streets, Toronto, on Wednesday, the Twentieth day of January, 1943, the chair to be taken at 11 A.M.

B. S. VANSTONE,
General Manager.

(Furnished by A. J. Pattison, Jr. & Co., Toronto)
Comparitive Prices of Unlisted Stocks

	1940 Bid	1940 Asked	1941 Bid	1941 Asked	Dec. 31, 1942 Bid	Dec. 31, 1942 Asked
Power Issues:						
Calgary Power, 6% pfd.	101.00	....	100.00	103.00	99.00	103.00
Can. West. Nat. Gas LH&P, com.	24.00	....	27.00	....	25.00	....
Can. West. Nat. Gas, LH&P, pfd.	102.00	....	102.00	....	102.00	107.00
Great Lakes Power, pfd.	101.50	103.50	103.00	105.00	100.00	103.75
Inter Utilities, $1.75 pfd.	15.00	....	15.00	....	7.00	11.00
Inter Utilities, $3.50 pfd.	30.00	....	36.00	....	24.00	28.00
McLaren Power, com.	15.50	17.00	15.00	16.00	15.00	16.50
Montreal Island Power, pfd.	21.00	....	41.00	....	41.00	....
Nor. Ont. Power, 6% pfd.	70.00	80.00	70.00	75.00	70.00	75.00
Nova Scotia L&P., pfd.	106.00	....	106.50	....	105.00	....
Nova Scotia L&P., com.	94.00	....	95.00	....	95.00	....

The Business Of Farming

By GORDON L. SMITH

A Canadian delegation headed by the Dominion minister of agriculture was in Washington this week with the objective of bringing about more co-ordination in the wartime agricultural development of both countries. To a great many casual observers on both sides of the international border this may appear a meaningless task because in their opinion the United States and Canada are agricultural competitors. This opinion, however, is very far from accurate. There is some competition but not nearly as much as the average person imagines.

Our Wheat is Different

Even in a major commodity like wheat, interests of the two countries are far from identical as Washington soon discovered when it imposed a prohibitive tariff of 42 cents a bushel some years after the conclusion of the first Great War. Canadian wheat production is almost entirely confined to the hard spring wheat type while that of the United States is largely soft winter. In a normal year American millers need a certain percentage of hard Canadian for blending in their flour and they continued to purchase it despite the tariff.

And So Are Our Hogs

Take another major product, hogs. For many years our farmers have specialized on a long, lean bacon type, the Americans on the lard or corn fed kind, which is larger and much fatter. Canadian bacon is distinctly a quality product, built to meet a special demand—the British breakfast table. The small amount of Canadian bacon which surmounts the American tariff finds a ready market and at a premium price. In many parts of the northern states it is known as "Canadian breakfast" and retails for several cents a pound above the local product.

For a long time Canadian Cheddar cheese also occupied this preferred position and may do so again once we get back to a normal supply position.

Non-competitive Lines

And then there are scores of agricultural products that are not competitive at all. In the United States cotton, peanuts, sweet potatoes, citrus fruits, etc., are agricultural products; here they cannot be grown commercially.

On the other hand, there are certain lines of seed potatoes, clover seed, turnips (rutabagas) maple products, some special fruits, etc., that have little or no competition in the United States. They have always enjoyed a big market south of the line.

Some of these items, like seed, are prized by the Americans because they are hardier and more virile than the home product. For decades growers of early potatoes in the southern states have been supplementing hardy seed stock from Maine, with supplies from New Brunswick.

To Boost Food Output

Chief objective of the Washington conference this week, of course, was an increase in food production, particularly of concentrated lines such as dairy products, vegetable oils, meats, etc.

Here a joint programme should give much bigger volume than if each country works separately. With tariffs hampering a free movement of materials across the line, however, just whether they can work full out together, is another matter.

It has been suggested, for instance, that farmers in the southern and central states, where the climate is mild and the growing season long, should concentrate on oil crops, such as soy beans. They would get surer and bigger yields than would be possible in much of Canada. Canadian farmers would take on the main job of growing livestock feed, such as oats, barley, hay pasture, etc., which thrives to perfection in our vigorous climate.

The resulting crops, presumably would be pooled, supplies being made available to both countries. The livestock feed would go to help produce meat and dairy products in both countries.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.10	$11.05	$8.99
Hogs	16.75	16.65	15.00
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2057	.2045	.1808
Sugar, raw, lb.	*.0374	.0374	.0350
Wheat, Man. (bu.)	.90½	.90¼	.75⅜
Coffee, lb.	*.09⅜	.09⅜	.09⅛
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	101.2	100.7	93.8
Dow Jones (fut.)	88.45	88.52	85.51
Wood, Gundy	78.9	78.8	75.3
Fishers	109.8	109.6	101.1
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)	118.8	118.6	115.8
W'sale (Nov.)	97.1	96.8	94.0
U. S. (Oct.)	100.0	99.6	92.4
Gt. Brit. (Sept.)	159.7	159.9	154.3

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Wheat Prices

Winnipeg Grain Futures

Week of Jan. 4, 1943

Crop Year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Jan. 4
		Wheat			
.91¼	.90	Dec.	.90	.90	...
.94	.93⅛	May	.93⅝	.93⅛	.93⅛
		Oats			
.47⅝	.45	Dec.	.47⅝	.46¼	...
.49⅝	.45⅜	May	.49⅝	.48⅞	.49⅝
.49⅞	.47⅜	July	.49⅝	.48⅛	.49⅝
		Barley			
.61½	.60	Dec.	.60⅝	.60½	...
.63¼	.60¾	May	.63¼	.62⅛	.63⅛
		Rye			
.65⅝	.53½	Dec.	.65⅝	.65	...
.66⅝	.56¼	May	.66⅝	.65⅝	.66¼
.66⅝	.65	July	.66⅝	.66⅛	.66⅝

Cash Quotations

	For Week Jan. 4 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	.90½	.90¼	.90¼	.90¼
2 Nor.	.87	.86⅞	.87	.87
3 Nor.	.83⅞	.83¾	.83¾	.83¾
4 Nor.	.81⅞	.81⅝	.81⅝	.81⅝
5 Wheat	.78¼	.78⅛	.78⅛	.78⅛
6 Wheat	.76¼	.76⅛	.76⅛	.76⅛
Feed	.75¼	.75⅛	.75⅛	.75⅛
Oats:				
2 C. W.	.47⅝	.46½	.46⅛	.45⅝
3 C. W.	.45⅝	.44⅛	.43⅞	.42½
Barley:				
1 Feed	.38⅛	.37⅞	.36¾	.36⅝
2 Feed	.37¼	.36⅞	.35⅝	.35⅝
Rye:				
2 C. W.	.65½	.63⅞	.64⅝	.64⅝

Investment Notes

Traders Finance Corp. shares have been listed on the Toronto Stock Exchange. Listing covers the classes A and B common shares and the series A and B rights.

* * *

Dominion Textile Co.'s current production is 11 times ahead of its 1914-18 record, according to a survey prepared by the company. Over three quarters of the output is used for military and essential national war purposes. The remainder goes into civilian supplies.

Reflecting the sharp expansion in business and higher taxation, the amount paid by the company in income taxes alone has increased from $250,000 to $8 millions since the start of the war. Tax payments now are 5.4 times as much as is paid out in dividends.

* * *

Collingwood Terminals Ltd. shares have been listed on the Toronto Stock Exchange. Listing covers the authorized 25,000 no par common shares and 25,000 no par preferred shares of which 13,325 are issued. Transfer agent and registrar is the Trusts & Guarantee Co., Toronto. The company operates a grain storage elevator at Collingwood, Ont.

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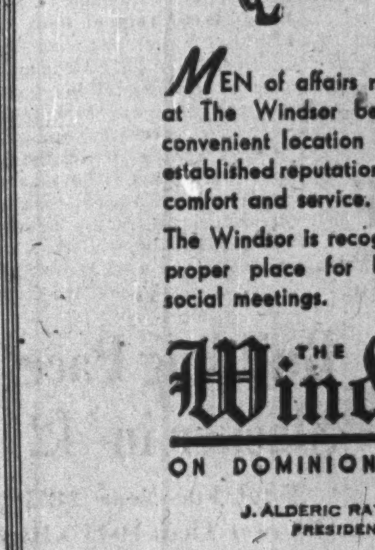

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Oil May Be Problem After War

N. American Exploration Lagging Behind Actual Needs

Will Canada and the United States experience an oil shortage after the war that will launch a more extensive search for new sources than ever before?

There are growing indications that oil supplies, at the end of the war, may be much slimmer than at the outset—and that oil consumption after the war may increase due to synthetic rubber and other requirements.

Canada at present is producing around 27,000 bbls. daily, close to the highest figure this country has ever turned out. But drilling of oil wells has shown a decline and it is doubtful if today's production can be maintained without an accelerated development rate. Turner Valley, our main source, is being pushed due to an urgent war situation, and exploration has not yet proceeded far enough in other directions to offset this.

U. S. Situation Critical

The United States, potentially a great source of oil, may find itself experiencing poverty in the midst of plenty as far as oil is concerned after the war. Oil reserves are estimated at 15 years' requirements, but there is a limit to the rate at which this can be withdrawn from the ground. Some of it can't be secured for over 50 years. U. S. production is running four million barrels a day. Geologists estimate that this may be increased to perhaps 4.5 million barrels, but that if production is pressed much beyond that figure, maximum ultimate recoveries will be jeopardized and oil resources depleted.

Fewer Wells Drilled

To maintain oil reserves—both in Canada and the United States—increased drilling is a necessity. In the United States, the oil industry drilled 40% fewer wells in 1942.

The United States, biggest factor in the North American oil picture, has been facing dwindling oil reserves for four years and now a further 20% cut in drilling is in prospect for 1943, from what the office of the U. S. Petroleum Coordinator says.

In Canada, some sources have minimized the possibility of discovering further crude oil fields due to the lack of substantial success attending the exploration to date outside of Turner Valley. But one U. S. authority estimates that 600 dry holes must be drilled for every new field located in the United States, and it is obvious that Canadian oil possibilities have not had as thorough an investigation as those of the United States.

The increased interest displayed by U. S. oil companies in investigating Canadian oil possibilities probably results in part from the smaller area of potential oil ground remaining untested in the United States and the larger exploration programmes necessary to isolate new reserves there.

Some authorities think that the time is not far removed in the United States when the oil reserves situation will become critical. Only three states — Texas, Louisiana and New Mexico — can draw on their reserves more heavily than at present.

Transport a Factor

South America could supply several hundred thousands of barrels of oil extra a day if transportation facilities were available, but it does not appear likely that even South America can fill the full gap looming between North American oil supply and North American oil demand after the war. Increased geological exploration for oil has been carried on the last two years in Canada and this may prove a valuable adjunct to the search.

That demand for oil may reach new highs after the war is not difficult to visualize. Automotive transportation may be resumed on as large a scale or larger than ever; commercial aviation will undoubtedly be a much more important factor in the oil field; and synthetic rubber will be a brand new industry calling on our supplies of oil.

Liability Becomes Asset As Arsenic Goes to Market

War Brings Demand for Product Which Was Formerly "Problem Child" of Metallurgists —Deloro Smelter Builds Addition to Handle it

Arsenic, the former "problem child" of the gold mining metallurgist, is now turning out to be an asset for the war effort. The mineral, previously stock-piled at considerable expense because it didn't pay to ship it, can now be marketed commercially.

It is understood the arsenic is being used for munitions but no details have been released on specific war uses. The price being paid for refined arsenic is about seven times that for arsenic in concentrates. Canada is turning out concentrates, but it is expected this will be changed shortly and refined arsenic will also be shipped.

Deloro Smelting & Refining Co. is putting up an addition to its plant at Deloro, Ont., just for arsenic. This addition is expected to cost $46,542, fully equipped.

Several northern Quebec gold mines are turning out arsenic now. Beattie Gold Mines is probably the largest producer, with O'Brien Gold Mines, turning out a ton a day, in second place.

The gold mines in the Hedley district of British Columbia have received consideration in the hiring of labor due to their production of arsenic, and similar treatment is stated to be possible for the arsenic producers in the Quebec area.

Possibilities for increasing arsenic production further seem quite good. MacLeod-Cockshutt, Little Long Lac Gold Mines and Hard Rock Gold Mines in the Little Long Lac area have arsenic in their ores and tests have been made looking toward commercial production. Due to the large tonnage of ore milled, MacLeod-Cockshutt would seem to be a potential source of a considerable quantity of arsenic. A doubling of mill capacity was completed some time ago, but regulations governing gold mines have prevented increased capacity being utilized to date.

If the need for arsenic should be great enough, the company could no doubt step up its milling rate still further, but an increased supply of labor would be necessary.

In Saskatchewan, Wampum Gold Mines is endeavoring to arrange financing of arsenic production from its Douglas Lake mine, whose gold ore is reported to run 22.5% arsenic. The company already has secured a contract for five million pounds of arsenic from the Metals Reserve Co. About 20,000 tons of ore are reported to have been blocked out with an additional 40,000 tons of ore indicated there.

New Group to Run Grull-Wihksne Gold

From Our Own Correspondent

VANCOUVER. — The Fraser-Lynch group won control over the affairs of Grull Wihksne Gold Mines at the annual meeting in Vancouver, and the board of directors headed by President W. C. Ditmars was unseated.

The new board will consist of H. Grattan Lynch of Spokane; G. L. Fraser, W. J. Asselstine, former provincial minister of mines; John Grull, J. P. Foster and Frank Van Waas.

The Ditmars board consisted of W. J. Conway, A. J. B. Fell, L. J. Ladner, W. L. Macken, W. C. Mainwaring, G. Nelles Stacey, C. J. White, J. C. McPherson and R. L. Mackenzie.

Inasmuch as Grull virtually controls Bayonne Consolidated Gold Mines by share interest, it is probable that the shakeup will affect that company too. Mr. Ditmars is president of Bayonne.

Most of the criticism of the old Grull board, voiced by Mr. Fraser, E. B. Crickmore and William Genser, was based on the charge that costs of operation had increased excessively.

Canadian Miners Praised For Work at Gibraltar

Reviewing a tunnelling company of the Royal Canadian Engineers on their return to England from Gibraltar, Lt.-General A. G. L. McNaughton has expressed the Canadian Army's thanks for their "most important contribution" to the Rock's defenses.

The tunnelling company was formed from Canadian army units in 1940 and is representative of the Dominion from coast to coast. Miners from practically every field in Canada compose its personnel.

Blast 140,000 Tons of Rock

While at Gibraltar, the tunnellers removed 140,000 tons of rock to make room for an underground hospital, a connecting passageway which was named Harley Street (where most of London's leading physicians and surgeons are located) the passage extending to big chambers to be used for defense purposes, and a laundry.

Major T. J. Tatham, who has taken over the command from Major C. B. North of Vancouver, said the Canadians performed some dozen jobs altogether and introduced diamond drilling to British engineers. They unearthed some ancient human bones, which, Major Tatham said, excited the interest of the British Museum.

Three Shifts a Day

Directed by officers trained in mining and engineering, the tunnellers worked 24 hours daily in eight-hour shifts. When they packed kits to return to England, they had spent 46,000 man-hours on miscellaneous jobs apart from the time devoted to their main task.

General McNaughton was shown a special order sent by General Mason MacFarlane, governor of Gibraltar, to Major Tatham, expressing gratitude for the way the Canadians "consistently delivered the goods." Canadian tunnellers first set foot on Gibraltar on Nov. 1, 1940, spending approximately two years on completing their work there.

War Loan Puts Bank Debits Up

Increase of 45% Shown in Cheques Cashed in Canada

Payments on Canada's third Victory loan boosted bank debits in Canada in November about 45%. The total was over $4.9 billions against $3.4 billions in Nov., 1941. Increased business activity and higher wholesale prices also were factors. The gains were distributed over all five economic areas, increases being: Maritimes 26.6%; Quebec 46.6%; Ontario 50%; Prairies 34.6%, and British Columbia 37%.

Compared with the previous month, November debits were up 21%.

The total for the 11 months to Nov. 30, at $41.3 billions, was 16.3% above last year.

Debits To Individual Accounts (Millions of $)

	1942 Nov., $	1942 Oct., $	1941 Nov., $
Maritimes:			
Halifax	62.2	53.8	50.1
Moncton	16.3	16.9	15.1
Saint John	29.3	26.7	19.9
Total	107.8	97.4	85.2
Quebec:			
Montreal	1,294.5	1,026.1	865.6
Quebec	105.6	105.6	88.7
Sherbrooke	12.8	12.5	9.8
Total	1,413.0	1,144.1	964.1
Ontario:			
Brantford	19.9	18.3	14.4
Chatham	12.1	10.4	12.2
Fort William	12.8	10.2	9.8
Hamilton	132.6	116.9	97.2
Kingston	13.2	13.2	9.2
Kitchener	33.8	20.3	18.8
London	62.6	42.0	40.2
Ottawa	718.7	602.3	337.6
Peterborough	12.1	13.5	9.8
St. Catharines	24.3	22.9	16.8
Sarnia	12.8	13.3	11.0
Sudbury	8.9	9.2	8.4
Toronto	1,248.8	912.9	957.0
Windsor	86.4	101.2	60.9
Total	2,399.3	1,906.9	1,603.5
Prairies:			
Brandon	6.8	7.3	5.5
Calgary	102.2	93.1	79.8
Edmonton	76.8	66.9	55.9
Lethbridge	8.1	8.1	6.8
Medicine Hat	4.9	6.2	3.8
Moose Jaw	11.2	10.8	10.6
Prince Albert	5.5	5.6	4.5
Regina	74.8	78.1	46.8
Saskatoon	17.9	17.4	15.2
Winnipeg	454.6	377.3	337.6
Total	762.9	670.8	566.7
British Columbia:			
New Westminster	13.4	13.7	10.2
Vancouver	225.1	198.8	164.5
Victoria	44.9	41.5	32.6
Total	283.5	253.9	207.4
TOTAL, CANADA	4,966.5	4,073.4	3,426.9

Building Pace Slacker in '42

Total For Year 28.5% Lower Than 1941's High Level

Construction contracts awarded in Canada in 1942 totalled $281,594,100, according to MacLean Building Reports. This is a reduction of 28.5% from the 1941 total of $393,991,300 and compares with the 1940 mark of $346,009,800.

During 1942, engineering awards dropped to $30,065,000 from $108,234,500. Residential contracts were down 14.2% at $79.3 millions, industrial building was off 20.1% at $74,084,500, while government and business buildings, at $98,164,800, were 2.3% below the 1941 level.

Provincial totals for the year were: P. E. I., $566,100; New Brunswick, $5,958,900; Nova Scotia, $19,780,500; Quebec, $92,235,500; Ontario, $108,679,500; Manitoba, $13,914,300; Saskatchewan, $5,480,200; Alberta, $14,401,100; B. C., $20,578,000.

Following is a list of the larger contracts awarded in December:

Long Branch, Ont., Housing	$250,000
Pictou, N. S., Housing	225,000
Hamilton, Ont., Storm Sewers	217,700
Windsor, Ont., Plant Alts.	180,000
Prince Rupert, B.C., Development	150,000
Ville LaSalle, Que., Plant Alts.	136,500
Toronto, Ont., Laboratory Addn.	87,000
Montreal, Que., Plant Alts.	70,000
Woodfibre, B.C., Bunkhouses	60,000
Charlottetown, P.E.I., Plant	54,300
Longueuil, Que., Plant Addn.	50,000
Hamilton, Ont., Plant	50,000
Rockcliffe, Ont., Hospital	50,000
Dartmouth, N.S., Addl. Const.	50,000
Hamilton, Ont., Addl. Bldgs.	50,000
Ottawa, Ont., Warehouse	50,000
St. Fulgence, Que., Church	50,000
Assiniboia, Sask., Addl. Accom.	50,000
Dewinton, Alta., Addl. Accom.	50,000
Bowden, Alta., Addl. Accom.	50,000

International Power Co.'s dividend of $3 a share on arrears on the preferred will reduce arrears to $25 a share. Arrears payments this year aggregate $5 a share, against $1.25 in 1941.

Country Store Sales Climb

Country general store sales averaged 15% higher in Nov., 1942, than in the same month last year, according to reports to the Dominion Bureau of Statistics from over 600 of these general merchandise stores located in the smaller towns and rural areas. All regions of the country reported gains ranging from 1% for the northern part of Ontario to 30% for the southern part of Saskatchewan.

Following is sales increase registered in November over Nov., 1941, by provinces.

	Sales Increase %
British Columbia	7
Alberta	16
Saskatchewan	28
Manitoba	13
Ontario	9
Quebec	15
Maritimes	13

Maritime Tel. and Tel. Sets An All-time Peak

For the first time in its long history, Maritime Telegraph & Telephone Co. and subsidiary, Island Telephone Co., report over 60,000 telephones in service. At the end of last month the company had installed 55,450 stations and the subsidiary 6,021. Every district reported a gain in November, the net increase being 399.

Long distance calls handled by Maritime Telegraph & Telephone in November totalled 201,128. This compared with 179,476 completed calls in the same month of 1941, an increase of 12%.

Montreal Trust Co. Lowers Dividend Rate

Dividend on the capital stock of Montreal Trust Co. has been reduced from $1 to 80 cents a share quarterly. The next payment is due Jan. 15 and is expected to be at the new rate.

Mining INVESTMENTS

Canadian mineral production reached a new high of $564.2 millions in 1942, the Dominion Bureau of Statistics estimates, an increase of almost $4 millions over 1941 which had been the previous record.

The 1942 increase was achieved in the face of a drop of approximately $20 millions in gold production to $185.6 millions, this decline being more than offset by greater production of coal, natural gas, crude petroleum, base metals and non-metallics.

No figures on production of base metals in Canada have been released since 1939, but the combined value of copper, nickel, lead and zinc in 1942 was nearly $1.5 million in excess of 1941. The aggregate value of a group of metals of strategic importance, including antimony, bismuth, chromite, cobalt, magnesium, molybdenite, tin, tungsten and manganese totalled $4.2 millions as compared with $2.4 millions the previous year. Another group comprising arsenic, iron ore, mercury, radium, uranium and selenium, increased in value to $6.9 millions from $4.7 millions in 1941. While silver output was nearly one million ounces lower, the value was 3% higher.

* * *

For 1943, the weight of evidence points to a further increase in the total value of Canadian mineral output. International Nickel Co. has now completed its expansion and an increase of over $19.2 millions a year in our mineral output is in prospect from this source alone.

Production of many strategic minerals is only now getting under way and results should become more impressive this year.

If Canadian gold production in 1943 could be predicted with any accuracy, a higher total mineral output in 1943 would appear close to a certainty. The trend of gold production is still downward, however, although there are some signs that it may be "bottoming out." If further declines this year do not exceed those for 1942, chances will still be quite favorable for a new record overall metal output this year.

* * *

Central Patricia shareholders received a short but highly significant progress report along with data on current earnings for the nine months ended Sept. 30. President F. M. Connell states that the company completed its new internal shaft in July and four new levels are now being developed, the 2,200, 2,350, 2,500 and 2,650-ft. horizons. Summarizing development results on these new levels, Mr. Connell declares:

"The greater part of the development work to date has been on the 2,500 and 2,650 and has opened up values and tonnages comparable to the upper levels. We consider the results very important as they establish good grade and tonnages to this depth."

Previous to Mr. Connell's statement, there had been some question as to the downward continuity of ore in volume at Central Patricia.

* * *

The United States has joined the United Kingdom and Canada in suppressing many details of current mineral production to prevent valuable information reaching the enemy.

How far suppression of statistics on production of such items as copper, lead and zinc, serves to keep the enemy in ignorance of our ability to wage war has been questioned from time to time and the answers haven't been wholly satisfactory. For instance, if we tell the enemy how many airplanes, tanks, guns, etc. we are producing, what serious harm is there in letting him know some details on the raw material being used?

C. P. Air Lines Report For '42

More than 90% of the traffic handled by Canadian Pacific Air Lines during 1942, the first full year of operations, concerned the war effort, according to a statement issued by L. B. Unwin, president. C. P. A. L. carried nearly 10 million pounds of air cargo.

During the year its aircraft flew six million scheduled miles. Regular routes reach Labrador, the Northwest Territories, Yukon, Alaska and the Arctic.

The company is working closely with the governments of Canada and the United States to provide air transport for essential needs. It contributed largely to the construction of the Alaska Highway and is daily engaged in carrying mail, equipment and supplies to far northern defense projects.

Place in Future

In addition to its transport operations, C. P. A. L. is the largest civilian organization connected with the British Commonwealth Air Training Plan. It operates, on a non-profit basis, six of a total of nine air observer schools and one elementary flying training school. It also manages five engine overhaul and aircraft repair plants under contract to the Department of Munitions and Supply.

"The immediate problem facing Canadian Pacific Air Lines," says Mr. Unwin, "is to keep pace with the ever-increasing wartime demands.

"While the airplane today is an integral part of our wartime mechanism it should not be overlooked that commercial aviation is destined to play a major role in reshaping a postwar world. In this regard, Canadian Pacific, as a long-established world-wide transport system, will undoubtedly through the extension of its air operations take its natural place in the development of world trade and travel routes to meet the almost unpredictable demands of the coming air age."

How Company Earnings Will Show for 1942

Continued from page 9

pany would still have covered its fifty-cent common dividend by a wide margin.

	Latest available actual $	On new tax basis for full year $
Profit before taxes	674,729	674,729
Provision for taxes	490,315	545,912
Net profit	184,414	128,817
Net profit per common share	$ 2.52	$ 1.54
Taxes per common share	$ 8.64	$ 9.62

Falconbridge Nickel Mines, while not supplying actual figures of comparative taxation, informs The Post that it is probable, in spite of increasing production for war purposes, that taxes will be less in 1942 than in 1941. This is said to be because Falconbridge has made extensive expenditures for plant expansion, and, by special arrangement, these expenditures are being rapidly recovered by charges to depreciation reserve, hence cut profits and taxes.

Federal Grain Ltd. points out that taxable income is less than "standard profits" for the company year ended July 31, 1942. The new tax basis did not affect this company for the one month of the latest fiscal period for which it applied. Moreover, the company does not expect to be affected for the current year as earnings are expected to be less than "standard profits" due mainly to reduction in grain handling charges and storage rates. In the year ended July 31, 1942, Federal had profits before taxes of $414,591 and provided taxes of $180,000, leaving a balance of $234,591 to cover preferred dividend requirements of $195,000. Preferred dividends are, however, considerably in arrears.

Silverwood Dairies Ltd. points out that, based on estimated profits for the year which ends March 31 next, taxes are going to require almost exactly three times as large a share of earnings as is left for common shareholders. Thus net profit per common share is expected to be reduced in spite of an estimated gain of $85,000 in earnings before taxes. This company is currently paying common dividends at an annual rate of 60 cents a share and it appears that one effect of this year's tax schedules will be that the full amount will not be earned. Figures supplied by this company are based on actual estimates of 1942-43 earnings instead of those for last year as is the case with other estimates provided.

	Actual year ended Mar. 31, 1942 $	Estimated for year ending Mar. 31, 1943 $
Profit before taxes	355,183	440,000
Provision for taxes	180,000	290,000
Net profit	175,183	150,000
Of which refundable portion is estimated at	Nil	35,000
Net profit per common share	$ 0.66	$ 0.56
Taxes per common share	$ 1.02	$ 1.64

Montreal Light, Heat & Power Consolidated also bases its estimates on expected results for 1942. They show that higher gross earnings in 1942 more than offset substantially higher taxes, permitting a moderate gain in net profits per common share and good coverage of the current $1.50 a share dividend. Had the new taxes been in effect for the full year 1942, however, the $1.50 dividend would still have been covered although by a reduced margin. At the same time they would have so increased the tax burden that the company would have been called upon to provide as much for taxes as it would pay out in dividends at prevailing rates.

	Year ending Dec. 31, 1941 $	Est. year ending Dec. 31, 1942 $
Profit before taxes	12,556,631	14,184,000
Provision for taxes	4,875,000	6,746,000
Net profit	7,681,631	7,438,000
Net profit per common share	$ 1.71	$ 1.66
Taxes per common share	$ 1.09	$ 1.50

United Grain Growers Ltd. points out that downward revision of margin allowed for handling wheat and reduced storage charges at country and terminal elevators, as provided in the 1943 agreement with the Canadian Wheat Board, plus the small carrying charge on coarse grains, make it unlikely that 1943 profits before taxation will exceed those of 1942. Standard profits and rate on capital employed have been established for this company by the Board of Referees. Taxes for 1942 were, as a result, calculated at the minimum rate of 42% under income and excess profit tax acts. It is expected this minimum rate of 42% will also apply for 1943 unless profits show a marked increase over those for 1942.

Zellers Limited estimates that it would have had a balance available for payment of common dividends equivalent to $2.36 a share last year had the new tax rates applied for the full year. This would compare with $2.62 a share actually reported and indicates a good margin of coverage of current dividends. This company includes the refundable portion of the excess profits tax as a part of the profits available for common shareholders.

	Latest available actual $	On new tax basis for full year $
Profit before taxes	762,735	762,735
Provision for taxes	390,000	*481,066
Net profit	372,735	281,668
*Of which refundable portion is estimated at	......	58,663
Net profit per common share	$ 2.62	$ 2.36
Taxes per common share	$ 3.12	$ 3.38

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Naybob Gold Mines Now in Receivership

E. G. Clarkson has been appointed receiver and manager of Naybob Gold Mines with the consent of the company, Assistant Secretary-treasurer, G. E. Cutcliffe states.

The official statement follows:

"Owing to the shortage of labor and other wartime restrictions which have interfered with the efficient operation of the mine, together with a reduction in the grade of ore, Naybob Gold Mines has been unable to meet certain of its liabilities and, with the consent of the company, E. G. Clarkson has been appointed receiver and manager of the company's property and assets."

Negus Holds Net Near Same Level

Ore Development is Reported Good Up to End of December

A net profit of $182,208 or 9.1 cents a share, was realized by Negus Mines the year ended July 31, 1942, compared with 10.1 cents the preceding year, the company reports in an interim statement. In view of world conditions "operations have continued in a very satisfactory manner," President Charles McCrea reports.

Ore reserves at July 31, 1942, totalled 20,900 tons with a total value of $650,650 compared with $666,060 a year earlier. This reserve is equal to nearly a year's mill supply. Since July 31, ore development is stated to have been good and reserves at the end of December should show an increase over those of July, it is stated.

The next annual meeting of the company will be held early in 1943.

Income and Surplus Account Years Ended July 31

	1942 $	1941 $
Net production	733,458	745,459
Less: Operating costs	410,665	417,256
Operat. profit	322,793	328,203
Less: Depreciation, etc.	102,074	91,764
Add: Other revenue	298	......
Profit before taxes	221,017	236,439
Less: Inc. taxes	38,809	35,077
Net profit	182,208	201,362
Earned per share	$0.091	$0.101
No. of shs. outstanding	1,997,000	1,997,000
Working Capital		
Current assets	265,780	249,563
Current liabilities	112,877	142,658
Working capital	152,903	106,905

Stobie-Forlong Assets trustees are paying another 1% on outstanding debentures in the near future. A previous 1% payment was made earlier this year. The coming payment will bring total distributions to a total of 24%.

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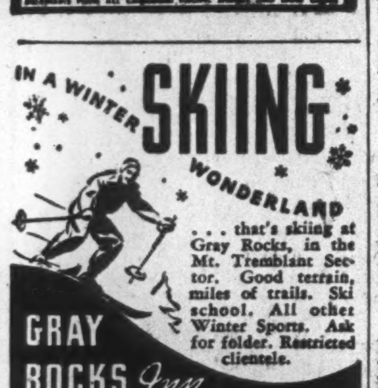

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Mining Capital Finds Work in B.C.

Considered Canada's Best Hunting Ground For "Strategics"

By GORDON M. GRANT

You won't see much about it in the newspapers, you won't find people in the street talking about it, but a new westward migration has been taking place in Canada this past year.

It is a migration of eastern mining men and eastern mining capital to British Columbia in answer to a new call—a call for base and strategic minerals.

To the layman, the reason why mining men should be particularly interested in British Columbia may be a mystery, but to the mining engineer and geologist, there is no mystery about it.

British Columbia happens to be the only province in Canada where geology indicates that all the strategic minerals of which we are short might be found. Add to this the fact that there are probably more semi-developed base metal properties in British Columbia than in any other area in Canada and the reasons for the migration become clear.

The latest westward movement may well be significant.

"Practically every eastern mining group has had a special man on the job in British Columbia this last year or has tied up with other groups looking for strategic minerals there," says one mining engineer in close touch with the situation. "Activity has eased off somewhat now as prospecting isn't feasible in the wintertime but I expect to see the drive renewed again next summer unless there is a 'break' in the war in the meantime."

Mines aren't made overnight, as the old saying goes, and it is too early as yet to state that the search of eastern capital in British Columbia will be crowned with substantial success. Consolidated Smelters, with its Pinchi Lake mercury and tin at Trail, and Iron Mountain Mines with its Emerald tungsten property, have effectively demonstrated, however, that there are war minerals in British Columbia and this seems to auger well for the eventual success of the later entrants into B.C.

Two Producers on Way

So far eastern interests have shown greater progress in preparing for production of the commoner non-ferrous metals in British Columbia than in opening up strategic minerals. Commitments have been made to place two base metal properties in production—the old Kootenay Florence mine and Tyee Consolidated—and further exploration of a third property, the old Noble Five, is being carried on preparatory to implementing production plans for it.

George B. Webster, former president of Kerr-Addison Gold Mines, and now assistant to the Oil Controller, has been responsible for new production plans for the Kootenay Florence mine which he purchased from Stobie Forlong assets. Equipment for a 150-ton mill is to be installed and, if things go according to plan, production will be started by March 1.

New Company Formed

The property is now being operated by a new company, Florence Mining Co., which will market its output with the Metals Reserve Co. The contract completed calls for rapid amortization of plant and a safeguard against loss, it is stated. In one area of the old workings there are estimated to be 50,000 tons of lead-zinc ore averaging about 13% combined lead and zinc. Besides this, a tailings dump is estimated to contain 50,000 to 60,000 tons of zinc tailings to be retreated. A relatively small amount of work will expand the tonnage of ore available for milling, it is expected.

Placing the old Kootenay Florence mine in production is a war project but the property may continue in operation in peacetime. The Ainsworth area, in which the mine is located, has long lacked a custom mill. The Florence Mining Co. will treat custom ore and may assist development of other properties in the area.

Easterners Help Tyee

While plans have been considered more than once in recent years for placing the old Tyee Consolidated property in British Columbia in production again, it remained for an eastern Canada gold mining company, Jason Mines, to finally arrange this with output of copper, lead and zinc concentrates to be purchased by the Metals Reserve Co.

Jason is also helping out on the B. C. manpower front. A crew of 20 men were taken to the property from the company's Ontario gold mine, which has been temporarily closed down, with more to follow. It is estimated that Twin "J" Mines, the subsidiary operating company formed by Jason, will employ more than 100 men when the concentrating plant of 4,000-6,000 tons monthly capacity reaches completion in another month or so.

Considerable Ore Available

The bonus metal prices being paid by Metals Reserve Co. have made operation of this property quite feasible. One ore body above the No. 3 tunnel contains an estimated 60,000 tons grading 0.09 oz. gold, 3.10 oz. silver, 1.61% copper, 7.44% zinc plus lead and barite. Both ends of this ore body are open and other lower grade ore is known to exist in the lower workings. Previous owners extracted more than $6 millions of high grade copper-gold ore.

Jason holds a 62½% interest in Twin "J" Mines with all cash advances secured and repayable out of first profits.

Noble Five Revived

The old Noble Five property, former Slocan lead-zinc producer, has been taken over by Reco Mountain Mines and an eastern company, Gold Frontier Mines, plans to finance it. Gold Frontier is to purchase debentures bonused with common shares, the debentures to be non-interest bearing and retireable by 15% of net smelter returns.

Reco Mountain, now under the direction of an eastern mine manager, plans to resume production after rehabilitating its plant. It is hoped that resuming production will not cost over $100,000.

A contract was let recently for a programme of diamond drilling. This drilling will investigate the extension of ore bodies from which former production was taken. Workings at present extend from the main 800 level tunnel to over 1,000 ft. below.

Full Possibilities Not Known

While these three base metal properties might be considered marginal—or even sub-marginal—under ordinary conditions, they are expected to provide considerable quantities of metal for the United States, particularly the first two. Potentialities of the old Kootenay Florence and Tyee Consolidated were never fully investigated, despite previous productive careers; possibly renewed production and new exploration will disclose possibilities sufficient to assure profitable production under peacetime conditions. Canada has had more than one instance of this recently with perhaps Kerr-Addison the most outstanding. Kerr-Addison, regarded as a rather lean gold property 30 years ago, has now turned out one of the country's largest gold producers. Some of the new marginal B. C. base metal producers, sponsored by eastern capital, may just possibly turn out better than expected.

Many Seek "Strategics"

But the strategic minerals hunt may yield the highest dividends in the last analysis. Many of the large exploration companies of eastern Canada have been participating directly or indirectly in this hunt. Ventures, Anglo - Huronian, Howey, Northern Canada, Kirkland Lake Gold Mining Co., Coniagas, Springer Sturgeon, McVittie-Graham, are just a few of the companies which have been represented.

The Howey-Northern Canada group with two parties in the field last year examined a scheelite showing and plan further work on a cinnabar (mercury) find staked in the Pinchi Lake area. George B. Webster and associates are examining a fluorspar property considered to possess possibilities. Conwest Exploration Co., western subsidiary of the F. M. Connell interests, has been testing a copper showing on Vancouver Island.

Ventures Ltd., through a western subsidiary, Anyox Metals Ltd., is carrying on a programme of diamond drilling on the Snowstorm group of claims in Highland Valley, Ashcroft mining division, and is also reported carrying on drilling at the Hidden Creek property taken over from Consolidated Smelters. This property is known to have considerable reserves of copper ore left over from previous operations.

Many mining companies do not give out news of new mineral discoveries until merit has definitely been proven, others save this type of news for annual reports. Consequently, the full story of the results of last year's strategic mineral hunt by eastern interests in British Columbia will only be told as the months roll by.

Full results of the year's work may not be realized for years to come. Remember that Larder Lake was prospected before Kirkland Lake, yet Kerr Addison only began to reach full stature in the 1940's. Remember that the Malartic area was prospected back in 1927. The work in B. C. is aimed at quick wartime results, but its full dividends may be spread over decades.

Mining Concentrates

Asnazu Gold Dredging made representations through the Colombian Mining Association to combat new taxation measures but without success. Two increases in income tax are involved in recent laws passed by the Colombian Government. One of 50% is applicable to the calendar years 1943 and 1944, for which Colombian national economic bonds will be issued taxpayers. The other of 35% is for the years 1943 and 1944 and an indefinite period thereafter. In addition 20% of gold sold to the government will be paid for in Colombian national defense bonds. Asnazu, during the period of seven months from May 1 to Nov. 30, 1942, dredged 2,424,300 yards of gravel for a recovery of 12,814 oz. of fine gold valued at $448,490 U. S. funds.

* * *

Black Lake chrome deposits, operated by Wartime Metals Corp., are expected to be in production around the end of January, it is stated. A 600-ton mill is being placed in operation, some of the former Howey equipment being used to facilitate production. At present, Chromite Ltd., operating a deposit in Quebec, is believed to be the only company turning out chromite and production rate is not nearly as large as at the Black Lake property, it is understood.

* * *

Dome Mines is reported to be going ahead with plans for a 500-ton mill on its molybdenum property in Preissac twp., Que. Until this is completed, it is possible the Mic-Mac mill will be used if the equipment necessary can be installed in time. Ore would be transported by road and across the ice in one place.

* * *

Fluorspar, which Toronto interests are seeking in British Columbia, is becoming critical from a supply standpoint in the United States. A shortage of 50,000 tons of metallurgical grade fluorspar appeared likely in 1943, so steel producers have agreed to cut their consumption by some 10 to 15%. Shipments in 1941 were 320,000 tons in the United States, an increase of over 80,000 tons over 1940. Requirements of U. S. industry in 1943 are expected to be close to 500,000 tons. Besides the steel industry the aluminum and aviation industries also use fluorspar. In the aluminum industry, fluorspar is used to make synthetic cryolite which is an essential of aluminum production.

* * *

Nipissing Mines Co. reports assets of $3,089,287 and only nominal current liabilities as at Dec. 1. Assets comprised $1,309,372 market value of Dominion bonds, $420,230 of other bonds, $964,282 of listed stocks, $55,085 of unlisted stocks, a $200,000 mortgage of Picacho Mining Co., $45,700 ore on hand and in transit and $94,617 cash.

* * *

Northern Canada Mines assets had a market value of 54 cents a share on Dec. 29, shareholders were told at the company's annual meeting. This represents an increase of 26% over the 43 cents a share reported for Sept. 30, the end of the company's fiscal year.

* * *

Privateer Mine only produced $52,743 from 1,247 tons of ore milled in November. The low production for the month was due to a lack of labor, which was reflected in the small tonnage trammed to the mill. The total crew was recently down to 61 men, of whom only 24 were underground men, divided between the Privateer and Prident mines. This condition continued throughout December with production again expected to be low. The mine is stated to be in excellent shape, however, and another 20 men underground would enable gold production, President D. S. Tait reports. With the larger number of men, a good profit ratio could be maintained, it is stated. The company hopes the crew can be increased to the necessary point early in January.

* * *

Pato Consolidated handled 9,895,000 yards of gravel with a recovery of 55,770 fine ounces of gold valued at $1,951,950 U. S. funds from May 1 to Nov. 30. Through the Colombian Mining Association, representation was unsuccessfully made to forestall heavy new taxation proposed. Part of the heavy new taxes, which affect chiefly the years 1943 and 1944, is refundable in the form of Colombian national defense bonds.

* * *

Reeves MacDonald Mines remained inactive last year, the company states in its annual report. It is understood plans are still being entertained for placing the property if proposals are approved by authorities. Balance sheet as at Aug. 31, 1942, shows $13,911 cash and $4,950 Dominion of Canada bonds. Supplies totalled $1,182. Current liabilities were $5,231.

* * *

U. S. Bureau of Mines is reported as stating that magnesium-bearing ores of northern Michigan are the purest in the United States. Reserves are estimated at 2.5 billion tons. The deposits extend 180 miles from the east end of Drummond Island to near Manistrique, according to Dr. R. A. Smith, Michigan state geologist.

* * *

Young-Davidson Mines is closing down its mill for the months January to March due to winter weather, it is stated. The mine will be kept in operation, however, and all the mill crew will be given other work temporarily. Much of the ore comes from the open pit and working in this section is particularly difficult with extremely cold weather. Cessation of production for three months will apparently cut off about $350,000 from Ontario's gold production in 1943.

Cariboo G. Quartz Improves Grade

From Our Own Correspondent

VANCOUVER. — Both the labor situation and the grade of ore being mined are showing improvement at Cariboo Gold Quartz Mining Co., according to a statement of R. R. Rose, managing director, referring to operations during the past ten months.

"The present policy of the company is to operate the property to the greatest advantage of shareholders by keeping the mine and plant in the best possible condition," states Mr. Rose, who adds that quarterly payment of dividends will be continued on a scale to be determined by future developments.

As the present dividend is being paid out of surplus earned in previous years, it was considered advisable to reduce the disbursement to two cents a share.

During the first ten months of the current fiscal year 30,562 fine ounces gold were produced, valued at $1,176,666. A total of 77,675 tons of ore were treated in the mill, 5,223 feet of exploration and development was carried out and 4,549 feet of diamond drilling was done.

During the third quarter the labor shortage, coupled with temporary decline in ore grade, permitted the company barely to break even, but working capital continued to increase, standing at $420,908 on Oct. 1, compared with $314,896 at the beginning of the fiscal year.

Net profit for the nine months ending Oct. 31, 1942, were $115,434, earnings per share 8.65 cents.

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Investment Notes

British Columbia Packers Co. has declared a dividend of 75 cents a share, payable March 15, 1943, to shareholders of record Feb. 27. Last dividend paid was the initial disbursement of $1.50 a share on March 16, 1942.

* * *

Great Lakes Power Co. operating at Sault Ste. Marie, Ont., paid a dividend of $3 a share on its common stock at Dec. 24, 1942, to shareholders of record Dec. 18. The last previous common dividend paid was $2 a share on April 15, 1940.

* * *

G. E. Leslie & Co., members of the Montreal Stock Exchange and Montreal Curb Market announce the election of W. T. White to the board of directors. Mr. White joined the predecessor firm of Johnston & Ward in 1922 and since 1929 has been manager of the firm's Halifax office.

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Position of Chartered Banks of Canada as of November 30, 1942, Shown by Monthly Returns to Minister of Finance

LIABILITIES

Name of Bank	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere*	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	14,780,202	166,799,785	18,850,218	....	354,710,063	401,355,403	107,907,965	3,210,341	7,947,877	10,310,500	....
Nova Scotia	5,471,194	43,991,435	1,659,642	....	91,112,920	145,962,745	62,594,126	3,575,069	1,875,049	2,004,390	....
Toronto	2,242,719	33,610,410	1,923,330	....	65,097,529	89,426,513	309,549	112,636	1,678,072	468,425	....
Provinciale	1,773,683	4,143,442	236,636	....	16,815,735	44,182,780	8,359	....	....	33,625	....
Commerce	13,671,774	98,290,296	13,589,007	....	274,332,195	320,005,677	85,531,787	1,379,288	6,819,547	5,842,345	....
Royal	18,271,281	144,192,823	17,392,485	....	396,518,139	339,285,204	266,764,061	16,944	4,108,558	12,938,975	....
Dominion	2,627,354	27,481,337	1,693,526	....	69,961,474	79,773,113	10,272,586	1,332,264	1,030,640	420,984	....
Nationale	3,001,652	16,712,011	2,084,893	....	54,438,702	111,735,151	*467,940	1,743,780	26,073	662,975	....
Imperial	2,961,677	37,214,409	13,891,023	....	73,784,326	91,733,026	1,321,572	1,309,240	1,175,758	1,076,092	....
Barclays (Canada)	695,490	4,110,633	96,578	....	5,644,460	6,035,004	3,198,442	157,326	3,339,580	1,730,056	....
Total	65,497,026	576,552,581	71,417,338	....	1,402,415,543	1,629,494,616	538,376,387	12,836,888	28,001,154	35,488,367	....

Name of Bank	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	Last Dividend	Loans to Directors and firms of which they are Partners†	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
							SUPPLEMENTARY INFORMATION					
	$	$	$	$	$	$	$	$	%	$	$	$
Montreal	16,134,590	2,371,463	553,287	39,000,000	36,000,000	1,179,931,698	50,000,000	36,000,000	6	208,975	95,288,130	15,354,907
Nova Scotia	23,453,807	172,125	304,406	24,000,000	12,000,000	418,176,716	15,000,000	12,000,000	10	1,904,195	31,479,000	6,265,440
Toronto	1,755,870	....	150,479	12,000,000	6,000,000	214,775,535	10,000,000	6,000,000	10	597,170	16,323,723	2,607,314
Provinciale	57,755	8,526	53,601	1,000,000	4,000,000	72,314,147	5,000,000	4,000,000	5	143,915	6,808,191	1,802,743
Commerce	28,156,015	....	60,571	20,000,000	30,000,000	897,678,568	50,000,000	30,000,000	6	1,136,188	78,914,528	14,176,913
Royal	31,156,431	2,127,979	583,863	20,000,000	35,000,000	1,288,356,748	50,000,000	35,000,000	6	1,126,544	104,093,885	19,093,500
Dominion	6,161,478	723,005	3,312	7,000,000	7,000,000	215,481,077	10,000,000	7,000,000	8	514,568	21,829,862	3,519,749
Nationale	345,402	45,304	110,707	5,000,000	7,000,000	203,374,594	10,000,000	7,000,000	6	165,466	23,197,202	3,059,412
Imperial	3,332,674	....	11,146	8,000,000	7,000,000	242,810,947	10,000,000	7,000,000	8	507,180	20,493,082	3,416,897
Barclays (Canada)	574,997	22,358	....	750,000	1,500,000	27,880,928	1,500,000	1,500,000	....	8,564	1,935,865	731,005
Total	111,128,819	5,470,760	1,831,372	136,750,000	145,500,000	4,760,760,298	211,500,000	145,500,000	....	6,310,765	400,363,468	70,027,880

*Of this amount, $52,898,645 represents deposits in Canada in currencies other than Canadian. † And loans for which they are guarantors.

ASSETS

Name of Bank	Gold and Subsidiary Coin held in Canada	Gold and Subsidiary Coin held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,299,386	47,522	27,680,802	71,571,482	530,365	672,910	37,740,770	229	4,635,629	32,897,191	400,729,847	180,064,986	14,877,837	42,469,818
Nova Scotia	423,458	790,005	10,296,289	18,438,971	154,645	9,777,505	15,948,944	....	11,577,210	19,013,372	79,392,711	62,006,449	9,163,771	3,576,581
Toronto	310,738	....	5,480,265	11,955,921	60,150	67,627	10,423,389	....	380,373	2,689,551	63,113,719	43,413,570	1,905,853	....
Provinciale	268,708	....	2,886,929	3,136,590	60,935	29,250	3,289,598	....	14,037	743,256	16,890,883	11,872,592	9,793,665	....
Commerce†	983,958	194,800	20,379,394	55,714,190	208,112	2,539,657	28,612,674	1	5,331,832	30,878,388	215,746,245	137,916,780	4,975,161	29,952,849
Royal	1,656,150	1,737,556	30,157,050	71,597,182	514,953	31,661,337	58,908,754	2,123	18,925,914	46,793,479	319,318,682	200,482,663	8,950,889	52,872,120
Dominion	255,886	286	3,357,239	17,417,638	116,615	101,056	9,288,633	....	2,036,439	8,912,215	54,243,268	27,112,317	1,164,423	996,863
Nationale	625,479	....	7,941,075	15,211,826	62,625	40,345	6,585,767	2,178,203	111,737	1,794,821	58,214,439	26,772,172	14,464,362	17,388
Imperial	345,875	....	7,309,403	7,171,740	124,850	99,507	9,679,985	765,221	289,750	4,927,814	62,796,894	45,009,066	5,406,173	....
Barclays (Can.)	8,792	....	134,486	1,044,808	1,330	2,118	1,740,477	1,143,303	1,517,347	4,063,330	5,912,130	6,585,879	1,000	25,000
Total	6,178,430	2,770,169	115,572,932	273,189,818	1,834,520	44,991,312	182,218,966	4,089,080	44,820,268	152,713,517	1,276,358,818	741,236,474	70,702,884	129,910,619

Name of Bank	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	20,621,076	2,366,657	13,986,000	255,277,181	15,480,746	1,416,507	23,184,466	395,309	355,491	428,443	13,900,000	905,058	1,679,028	1,181,349,280
Nova Scotia	10,220,461	3,124,211	897,320	116,894,324	14,566,703	118,145	1,596,400	363,257	....	76,027	5,561,498	340,856	2,382,972	420,157,764
Toronto	3,563,368	1,318,025	....	63,009,888	....	....	3,001,444	12,925	....	13,792	2,969,822	175,559	64,209	215,636,066
Provinciale	1,481,388	2,975,703	....	14,093,625	....	3,650	2,010,003	32,060	381,828	248,597	2,087,856	106,971	109,937	72,525,923
Commerce†	9,545,041	7,045,298	18,551,723	250,482,603	19,980,322	887,089	10,733,738	970,064	2,082,320	855,379	13,673,036	800,000	4,766,677	901,963,352
Royal	33,140,596	6,267,499	23,523,562	255,148,401	50,276,982	1,770,548	15,961,150	1,187,236	1,260,492	832,006	13,640,588	1,110,000	3,831,867	1,291,615,946
Dominion	1,468,529	1,020,754	2,948,324	71,009,162	272,742	651,671	165,369	130,870	17,709	22,607	5,233,913	182,810	200,536	216,489,363
Nationale	3,409,814	3,356,985	....	48,442,988	....	391,218	6,398,192	158,479	1,389,628	706,083	4,620,930	178,537	210,794	203,628,798
Imperial	255,173	973,379	....	85,914,379	....	235,485	3,100,439	144,034	13,095	169,909	5,436,833	193,324	52,926	243,752,818
Barclays (Can.)	....	173,100	....	4,200,136	....	....	....	1,660	....	....	721,724	31,690	10,974	27,894,288
Total	83,705,446	28,621,611	59,906,929	1,164,472,087	100,577,495	5,474,313	66,153,201	3,395,884	5,505,563	3,352,743	67,796,200	4,024,805	13,309,920	4,775,013,537

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of locally incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement:—Footnote to Canadian Bank of Commerce return.

▲Total assets include $111,128,819 letters of credit outstanding as shown in liabilities.

The Year Ahead — Auto Insurance

War Cuts Car Accidents

Restrictions Bring Lower Premium Income and Loss Ratios

Lower premium income, with fewer accidents and a lower loss cost, is indicated for automobile insurance business in 1943, due to gasoline rationing, tire shortage, lower speed limits and reductions in premium rates on cars in certain gasoline rationing categories.

Expectations are based largely on the experience of 1942. Although that year reflects only partly the effect of the factors noted, preliminary estimates indicate a 1942 recession in premium income of 5% or 6%.

Fewer Cars Operated

While the number of vehicles registered in 1942 appear to have been practically the same as in 1941, there was an increasing tendency for the number of cars actually operated to decline during the year. Inability to get new tires put some cars off the road. In these cases owners cancelled their public liability, property damage and collision insurance, while retaining fire and theft coverage. More cars will be laid up for this reason in 1943.

Gasoline rationing has caused other owners to discontinue driving for the winter months and they have cancelled their insurance for the time being. Others, while using their cars, have discontinued their public liability, property damage and collision insurance, claiming the smaller number of cars driven and the lower speed limits make the chances of accident negligible. In such cases fire and theft insurance is usually retained.

Lower Premium Rates

Lower premium rates, put into effect last spring, gave discounts to drivers of cars in gasoline rationing categories A and B, with larger discounts to cars driven only by drivers between stated age limits, etc. The general theory in this rate reduction was that the reduced mileage the car is likely to be driven reduces the accident hazard.

Claims Lower

In his report of the automobile insurance business for the 18 months ending June 30, 1942, C. H. Fredrickson, actuary of the Canadian Underwriters Association, estimates that accident frequency declined about 35% after gasoline rationing was introduced.

While company executives estimate the unit cost of claims may be higher owing to increased prices for materials and wages, the overall loss cost of insurance seems likely to be lower.

Statistical Report

Mr. Fredrickson's statistical report for the policy year 1941 which covers the 18 months to June 30 covers all areas in Canadian insurance territory except Nova Scotia, Quebec and Newfoundland. Premium rates used in the computations are the 1942 rates before any reductions were made.

The accompanying table shows the loss ratio in the different areas for the five coverages, the percentage by which the 1942 rates varied from what is regarded as consistent with sound underwriting and the average cost of claims in each branch.

Premiums and Losses

The loss ratio in the first column is the percentage of losses incurred to premiums earned. The second column shows the percentage by which prevailing rates are estimated to be too high or too low in relation to losses sustained. A plus sign means the current rate should be increased, a minus that it should be reduced.

In Ontario rates are aimed at being sufficient to produce a loss ratio of 53%. In the rest of Canada it is estimated rates should be sufficient to keep the loss ratio at 52½%.

In most cases it would appear that up to June 30 the premium rates on public liability on private passenger cars were too high. On commercial cars, on the other hand, considerable variation is shown.

The third column shows the average cost of a claim. The reason the first six months of 1942 are included in the 1941 policy year shown in the report is that 70% of losses up to June 30, 1942, are on policies written in 1941.

PASSENGER CARS
Experience in Policy Year 1941

	Loss ratio %	Indicated adjust. of rates %	Aver. cost of claim $
Canada (Except Quebec and Nova Scotia)			
Public liability	39	—26	484
Property damage	57	+9	41
Collision, full	73	+39	61
Fire	31	—41	71
Theft	30	—43	28
Full coverage	46	—12	..
Ontario			
Public liability	40	—25	466
Property damage	58	+9	40
Collision, full	72	+36	62
Fire	34	—36	59
Theft	35	—34	30
Full coverage	47	—11	..
New Brunswick			
Public liability	40	—24	454
Property damage	66	+26	55
Collision, full	143	+172	96
Fire	42	—20	162
Theft	24	—54	80
Full coverage	60	+14	..
Prince Edward Island			
Public liability	18	—66	321
Property damage	59	+12	46
Collision, full	67	+28	49
Fire	40	—24	202
Theft	9	—83	45
Full coverage	39	—26	..
Manitoba			
Public liability	45	—14	508
Property damage	54	+3	33
Collision, full	92	+75	67
Fire	30	—43	74
Theft	27	—49	26
Full coverage	44	—16	..
Saskatchewan			
Public liability	15	—71	385
Property damage	44	—16	41
Collision, full	66	+26	89
Fire	25	—52	102
Theft	21	—60	42
Full coverage	34	—35	..
Alberta			
Public liability	34	—35	593
Property damage	49	—7	60
Collision, full	56	+7	51
Fire	30	—43	139
Theft	15	—71	29
Full coverage	42	—20	..
British Columbia			
Public liability	39	—26	601
Property damage	53	+1	48
Collision, full	67	+28	51
Fire	22	—58	79
Theft	27	—49	20
Full coverage	45	—14	..

COMMERCIAL VEHICLES

	Loss ratio %	Indicated adjust. of rates %	Aver. cost of claim $
Canada (Except Quebec and Nova Scotia)			
Public liability	62	+18	563
Property damage	63	+20	46
Collision, full	66	+26	52
Fire	34	—35	246
Theft	25	—52	49
Full coverage	57	+9	..
Ontario			
Public liability	66	+25	554
Property damage	62	+17	46
Collision, full	70	+32	91
Fire	29	—45	192
Theft	23	—57	41
Full coverage	61	+15	..
New Brunswick			
Public liability	47	—10	327
Property damage	84	+60	56
Collision, full	53	+1	32
Fire	38	—28	292
Theft	50	—5	151
Full coverage	59	+12	..
Prince Edward Island			
Public liability	18	—66	75
Property damage	123	+134	73
Collision, full	172	+228	100
Fire	2	—96	22
Theft	..	....	..
Full coverage	68	+30	..
Manitoba			
Public liability	36	—31	367
Property damage	60	+14	35
Collision, full	90	+71	36
Fire	42	—20	196
Theft	28	—47	66
Full coverage	45	—14	..
Saskatchewan			
Public liability	70	+33	1,324
Property damage	78	+49	73
Collision, full	98	+87	95
Fire	55	+5	470
Theft	21	—60	69
Full coverage	60	+14	..
Alberta			
Public liability	48	—9	752
Property damage	49	—7	52
Collision, full	51	—3	69
Fire	34	—35	345
Theft	29	—45	64
Full coverage	45	—14	..
British Columbia			
Public liability	58	+10	709
Property damage	59	+12	42
Collision, full	50	—5	32
Fire	33	—37	303
Theft	20	—62	32
Full coverage	49	—7	..

Steady Drop in Employment Seen in Civilian Industry

By STAFF WRITER

OTTAWA.—There has been a steady and increasing reduction in employment in civilian industry in recent months according to figures of the Dominion Bureau of Statistics.

As at Oct. 1 (last date for which figures are available) no less than 24 out of 54 trade and industrial classifications showed a decrease in employment as compared with the same date in 1941. Seventeen groups showed reduced employment as compared with the previous month. Number employed in these industries represented over 750,000 or 41% of the total "sample."

A similar check at Aug. 1 showed only six industries with lower employment compared with the previous month and 18 with fewer workers than at the same date a year ago. The index numbers for the industries showing a decline in employment follow:

Decreased Employment in Industry
(Average 1926=100)

	Oct. 1 1942	Oct. 1 1941	Decrease %
(1) Manufacturing			
Musical instruments	42.5	90.5	53.0
Rubber products	125.9	143.5	12.2
Heating appliances	155.6	169.6	8.2
Hosiery & knit goods	134.6	146.1	7.8
Boots and shoes	126.5	135.9	6.2
Printing, publishing	121.3	128.4	5.5
Furniture	111.0	117.2	5.3
Rough & dressed lmbr.	108.7	114.5	5.1
Leather goods	138.0	144.2	4.3
Furs	125.8	131.3	4.2
Electric light, power	146.8	151.6	3.2
Cotton, yarn & cloth	125.5	128.2	2.1
Clay, glass & stone prd.	132.2	134.7	1.7
Paper products	184.5	187.7	1.7
Annual prod. (edible)	178.7	182.3	1.4
Plant products (edible)	190.7	192.4	0.9
Pulp & paper	124.3	126.8	2.5
(2) Logging	151.7	174.0	12.8
(3) Mining:			
Metallic ores	327.9	376.6	12.9
Coal	90.5	95.9	5.6
Other non-metallics	162.0	166.6	2.8
(4) Construction & Maintenance:			
Highways	174.1	208.7	11.8
Railways	96.4	97.5	1.1
(5) Trade:			
Wholesale	132.4	142.3	6.9
Retail	161.4	167.9	3.9

Consider Ways of Financing New Gift to Great Britain

By STAFF WRITER

OTTAWA.—No final decision has been reached as to how the government will handle its sterling credit balance with Britain pending legislation to authorize a new "gift."

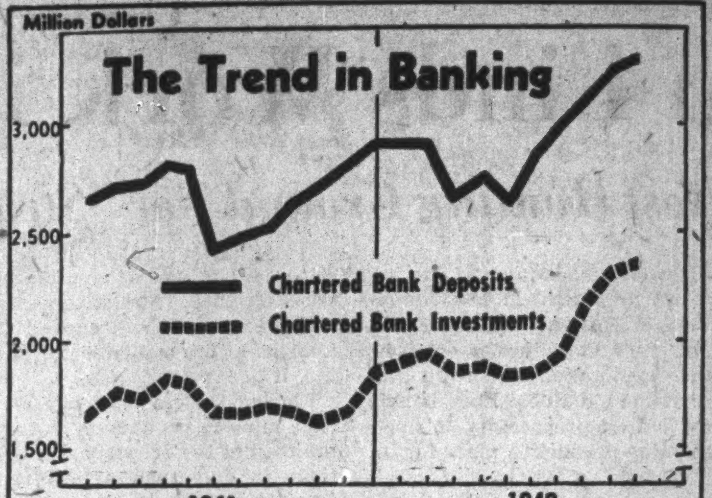
At the end of November, $909 millions of the billion dollar gift (estimated originally to last the full fiscal year), had been expended. Hon. J. L. Ilsley recently estimated that the entire credit would be exhausted by the end of 1942.

Assuming the Canadian Army is used as a spearhead for a new European front in 1943, the credit balance of payments which has piled up so rapidly in 1942 may not continue at the old rate. As indicated by Mr. Ilsley, the value of goods supplied Britain has been high "while our army expenditure in Britain, in the absence of active operations, has been relatively moderate."

There have also been important lags in settlement of accounts which have proven adverse to Canada in view of the prompt basis on which Canadian accounts have been settled.

The most obvious method of interim financing would be for the Foreign Exchange Control Board to buy sterling exchange as it did prior to the passage of the 1942 gift legislation. However, there are important accounting and other adjustments which it is believed may be made as well, and which would go some distance to bridging the gap prior to passage of further legislation.

Dividend disbursements by companies whose stocks are traded on the Montreal Stock Exchange and Montreal Curb Market totalled $243,-284,283 during 1942. This represents a drop of $50,994,954 from that reported for the preceding year. The decline was largely due to the fact that in 1941 International Paper Co. paid out some $10 millions on account of arrears of dividends on the preferred stock. Of the 20 groups of stocks listed on the two Exchanges, 50% registered increased dividends for the past year.



With deposits increasing more rapidly than the demand of private business for credit, due to war expenditures, the chartered banks have been forced to turn from commercial loans to investments to find outlets for their funds. Chart shows how bank investments and total public deposits have been increasing in recent months. At Oct. 31, investments represented 72% of deposits, and on Oct. 31, 1941, they were 60%.

British Columbia Japanese Placed on Labor Projects

From Our Own Correspondent

VANCOUVER. — Evacuation of British Columbia's 24,000 Japanese from the coastal areas has been completed and the Security Commission headed by Austin C. Taylor has wound up its affairs.

There still remains the job of seeing that the Japanese in various work camps and settlements established for them are properly housed and cared for and that they are employed in such a way as to relieve Canada's manpower shortage. Labor Minister Humphrey Mitchell has appointed George Collins, former assistant deputy minister of public works for Manitoba, to take charge of this.

Disposition of the evacuated B. C. Japanese is as follows: Road camp projects, 986; sugar beet projects, 3,988; interior housing projects, 11,-964; self-supporting projects, 1,161; industrial projects, 431; special permits for approved employment, 1,337. The few Japanese remaining on the coast are in hospital or under immigration and police supervision.

The Year Ahead — Hydro Power

One Million More Horses

Will Result From Next 18 Months' Power Projects

From Our Own Correspondent

MONTREAL.—Construction now in progress will add one million h.p. to Canada's total hydraulic development over the course of the next 18 months, according to the year-end survey issued by the Hon. T. A. Crerar, Minister of Mines and Resources.

His review emphasizes the successful efforts of the Canadian hydro-electric industry to meet the ever-increasing demands for power for wartime industry.

New installations during the year aggregated 378,600 h.p., bringing total to 9,225,838 h.p.

Quebec Was Active

Hydro-electric installation in Quebec during 1942 totalled 280,400 h.p., and much additional construction is in progress.

Aluminum Power Co. added two units of 55,000 h.p. each to its Chute á Caron generating station on the Saguenay River, and brought the first two 85,000 h.p. units of its great Shipshaw development on the same stream into operation.

Additions in progress to the Shawinigan Water & Power Co.'s system include a 40,000 h.p. unit at Rapide Blanc generating station and one of 44,500 h.p. at La Tuque station, both in the St. Maurice River. These units are planned for operation in July, 1943.

Two or three other small Quebec developments were completed.

Ontario Capacity Gains

Ontario reported installations totalling 66,900 h.p. last year.

Ontario Hydro completed its hydro-electric generating station on the Madawaska River. This plant, at Barrett Chute, has an installation of 56,000 h.p.

The commission is also proceeding with the construction of a new plant at DeCew Falls. This plant will have an initial installation of one unit of 65,000 h.p. and is scheduled for completion in July, 1943.

Great Lakes Power Co. added a 10,900 h.p. unit in August to its plant at Lower Falls on the Montreal River.

More Steam Capacity

No new hydraulic developments were undertaken in New Brunswick, but the N. B. Electric Power Commission is installing a new 7,500 kv.a. steam turbo generator in its Grand Lake station.

In Nova Scotia the Avon River Power Co. completed installation of a 4,500 h.p. turbine at Hell's Gate on the Black River.

The N. S. Power Commission commenced development of a site on the Medway River at Eel Lake in September. The plant, of 1,290 h.p., is expected to commence operations within a few months.

On the Pacific Coast, West Kootenay Power & Light Co. has under construction a fifth generating station on the Kootenay River. This station is designed for four generating units of 34,000 h.p. each, with the initial installation of two units.

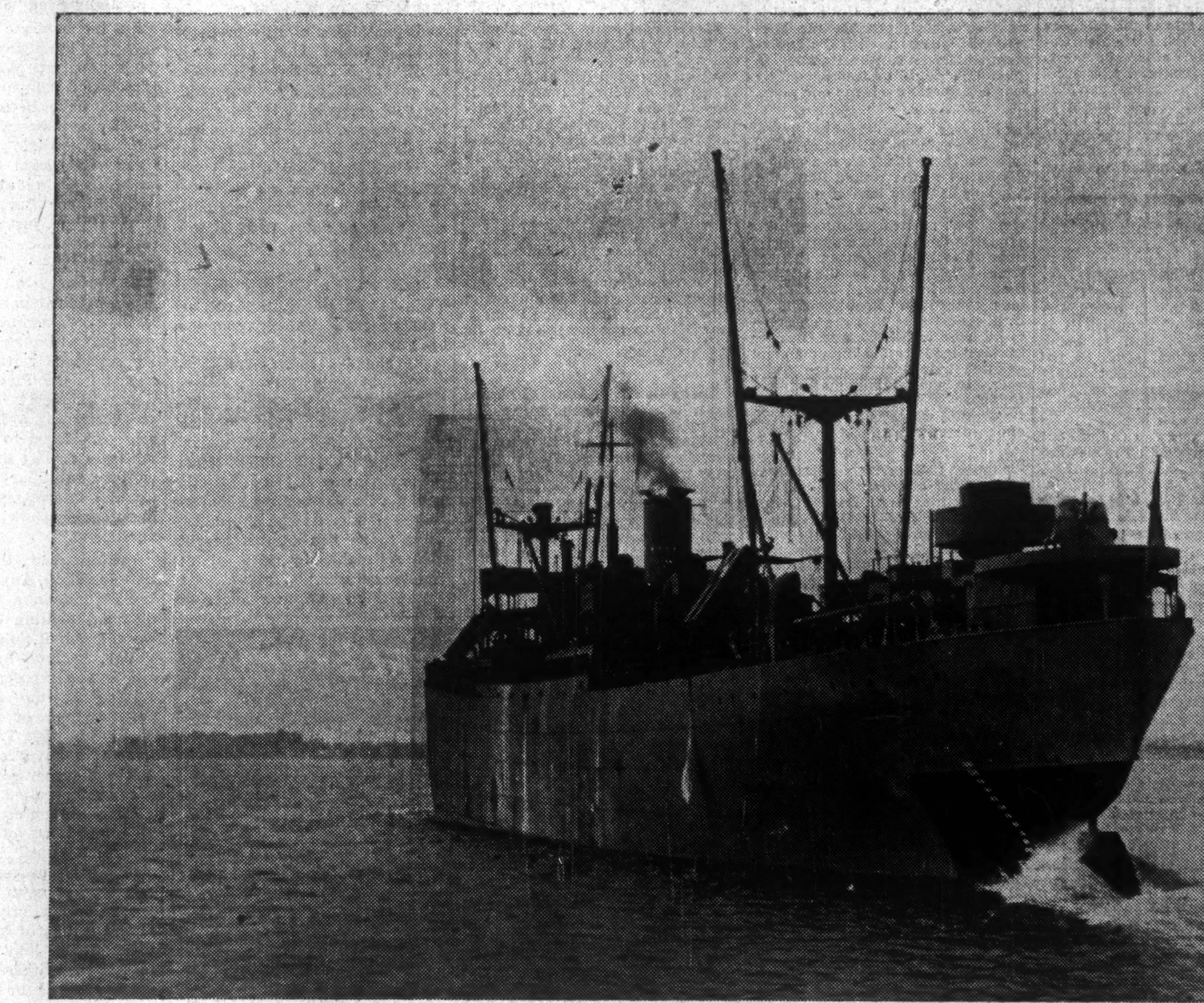
West Canadian Hydro-Electric Corp. installed a second unit, of 3,800 h.p., in its generating station at Shuswap Falls, increasing its capacity to 7,600 h.p.

In Alberta, Calgary Power Co.'s Minnewanka Lake development began full operations last October. This development covers an installation of 23,000 h.p.

HYDRO-ELECTRIC INDUSTRY'S RECORD

	Installed H.P. in 1942	Underway H.P. Capacity
British Columbia:		
West Kootenay Power	......	68,000
West Canadian Hydro	3,800	......
Canadian Fishing Co.	......	235
Alberta:		
Calgary Power	23,000	......
Ontario:		
Ontario Hydro (Madawaska)	56,000	......
" " (De Cew)	......	65,000
" " (Niagara)	......	20,000
Great Lakes Power	10,900	......
Quebec:		
Aluminum Power (Chute-a-Caron)	110,000	......
" " (Shipshaw)	170,000	680,000
La Sarre Power	400	......
Shawinigan (Rapide Blanc)	......	40,000
St. Maurice Power	......	44,500
Tadoussac	......	300
Lower St. Lawrence	......	5,000
New Brunswick:		
N. B. Power Board*	......	......
Nova Scotia:		
Avon River Power	4,500	......
N. S. Power Board	......	1,290

*7,500 kv.a. steam unit scheduled for 1943.



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